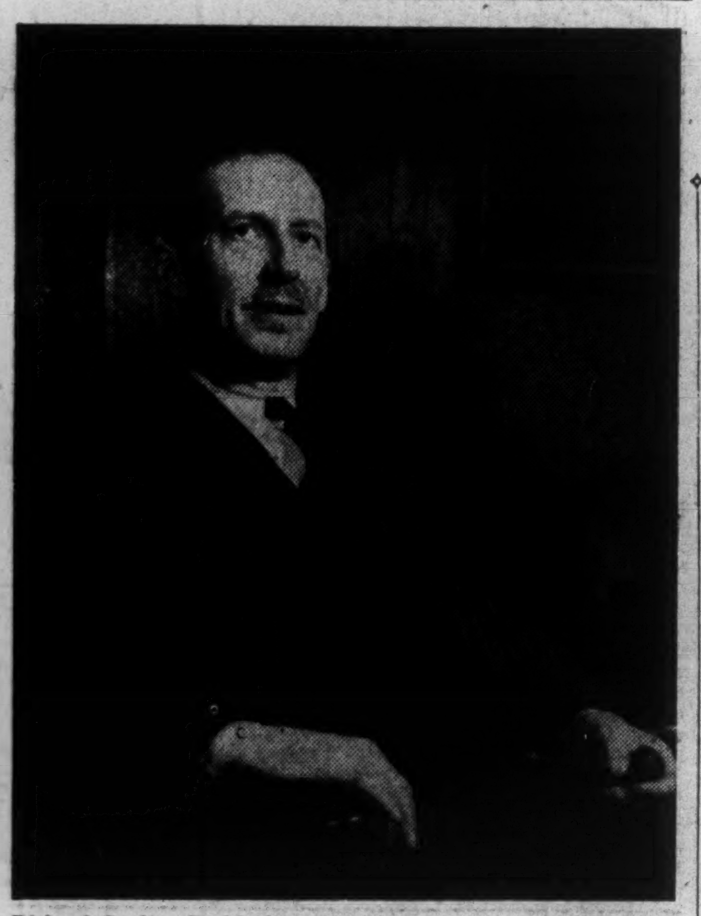
Heads Manufacturers

The Financial Post

The Canadian Newspaper for Businessmen and Investors

Vol. XLI — Fifteen Cents an Issue, Five Dollars a Year — Publication Office: Toronto, June 7, 1947 — Member of Audit Bureau of Circulations — No. 23



Richard Coulton Berkinshaw, 56, this week became president of the Canadian Manufacturers' Association during the CMA's annual meeting at Banff. The lawyer-trained vice-president and general manager of Goodyear Tire takes over direction of an expanding organization aiming at maintaining Canada's high place in world export trade.

THE NATION'S BUSINESS

What's the Medicine Likely to Be?

Will the Canadian dollar slump from parity with the American?

Should the Canadian dollar be lower?

Would a lower Canadian dollar solve, or be an important factor in solving, our serious U. S. dollar shortage?

An expert examination of these matters has just been made by the very able economist of the Bank of Nova Scotia. In effect, his report says:

Any immediate change in the Canada-U. S. dollar exchange rate seems improbable.

Parity by no means puts an improper valuation on our dollar.

Depreciation of our dollar would do very little to aid our U. S. dollar problem.

What are the main tests of the exchange value of a currency?

Most important, says the Bank of Nova Scotia study, is its command over goods and services.

"At the present time the Canadian dollar passes the test of purchasing power remarkably well. In terms of what it will buy, it is one of the strongest currencies in the world. Canadian prices have risen less than prices in most other countries . . Price comparisons both with the United States and elsewhere suggest that the Canadian dollar is, if anything, undervalued."

The second general criterion of the value of a currency is the current balance of receipts and payments with other countries. Here the Bank study points out that while exports are below their wartime peaks and imports are higher than ever, Canada's current balance of payments continues to produce a net credit—last year more than $450 millions, not so much as in recent years, but very much larger than the credit balance in any year prior to 1941.

"By the test of over-all balance of receipts and payments (the Canadian dollar) also appears to be soundly based," says the report. "The gold and U. S. dollar reserves are still substantial. The general economic prospects of the country are better than those of most others. The big question mark is the prospect for exchange convertibility under conditions of freer and expanding international trade. That depends largely on recovery of production and restoration of economic order in the war-ravaged countries of Europe and Asia, which in turn depends heavily upon the provision of sufficient aid in the U. S. dollars to permit the rest of the world to finance urgently needed purchases from North America."

As for the under-par value which the New York free market puts in the Canadian dollar, the Bank report dismisses that market as small in size and not significant as to what may or should be done about the Canadian dollar rate.

"Even if the international economic outlook is regarded as discouraging, there is very serious question as to whether a reduction in the exchange rate would in the present circumstances have much effect in correcting our U. S. dollar deficiency."

Canada's Position "Never Better"

The same conclusion about the significance of the free market rate is reached in a recent study by The National City Bank of New York.

Commenting on our exchange problem, the National City says:

"There would have been no strain in Canada's current balance of payments with the United States, and hence no question of the soundness of the Canadian dollar, had all the customers of the Dominion been able to pay her in freely convertible currencies. Unlike the French franc and other continental currencies that are under pressure because of internal complications, the pressure on the Canadian dollar stems entirely from the fact that multilateral trading and currency convertibility have not yet been sufficiently restored.

"Canada's economic position probably has never been stronger."

The foregoing facts and conclusions will be familiar to most Post readers. They have been frequently set forth in The Post before.

Some action on our dollar crisis seems almost inevitable. Reducing our now enormous imports from the U. S. is one way that could be done.

Whatever action our Government takes will be disturbing to business and probably damaging to some. Treatment of any national disease, especially one that now threatens to be chronic, is disagreeable.

But facts and clear understanding of the basic problem are the best preparation for appraising that action when it comes. The effects promise to be long and very deep-rooted.

* * *

Conscription and Citizenship

Canadians will watch with interest action in President Truman's plan for universal military training of 18-year-olds. Such a development over the border would inevitably embroil this country in loud agitations for and against a similar move.

The idea of the whole youth of the nation being required to devote a period to the nation's service has very wide appeal. Many believe a period of military exercises, military discipline and military education will deliver back to society a whole generation built up in health, in respect for law, in capacity to defend their country, in clarity of purpose as to why they should do so.

Some youths would doubtless benefit from a brief military experience. Others would simply relish the novelty, the freedom from accustomed restraints, the opportunity for enjoyment of the "beer and skittles" side of military training. Getting on the public payroll, having jeeps, trucks, tanks, guns, airplanes and other equipment for their training—and entertainment—would be great sport for almost any 18-year-old.

Some will be far from convinced that such compulsory service is likely to produce important results in improved citizenship or in more effective national defense.

Ottawa Backs Aussies In U.S. Wool Dispute

OTTAWA (Staff)—It is made clear here that Canada will stand firmly alongside Australia and other dominions in their demand for a satisfactory settlement of the critical wool issue at Geneva. Outcome is still highly uncertain, but it is certain that unless the United States Congress withdraws its demand for a higher tariff, or unless President Truman settles any proposed escalator clause as agreed upon by Congress, Geneva will break down.

But it is thought inconceivable, here, that United States, after two years' intensive effort, will allow this to happen. In short, it is thought that United States will at least agree to bid the wool item at the present 34c. a pound rate, even if no tariff concession is offered.

At this point, aroused political sentiment in Canberra and Australia comes into focus. Because of this issue, Dr. Coombs, head of the Australian delegation in Geneva, has been recalled home. As well, reports are already emanating from Australia of possible retaliatory action in that country against American goods. It also seems certain that a ministerial delegate will return to Geneva with Dr. Coombs.

It is feared that the issue may become so inflamed politically in Australia that even a binding of the U. S. rate at its present level will prove unacceptable and that Australians may insist on something which it is now conceded that Americans are most unlikely to give—namely, an actual reduction in the present wool tariff.

Apart from the central and explosive wool controversy the general picture at Geneva is considered satisfactory. Assuming a solution is found to wool, it is thought that agreement can be reached during the next three months on tariff reductions which, over-all, will amount to about 20% from present most-favored-nation rates. Such a reduction will bring a responding cut in a large number of British preferential margins and the wiping out of a number of "bound" preferential rates.

In respect of wool, Canada stands firmly with Australia, South Africa, New Zealand and Britain in demanding that the United States make a satisfactory settlement. This is not an issue which affects Canada directly, but its settlement does involve empire preferential margins as well as the ability of the United Kingdom to deal effectively with ourselves and with United States.

It is believed that Will Clayton plans to return soon to Geneva from Washington.

$40 Millions Expansion Plan For Shawinigan

Three-year Program Seen Indication "Expropriation" Plans Cooling Off

MONTREAL (Staff)—Shawinigan Water & Power Co. President James Wilson announced expansion and development plans calling for capital expenditures of $40 millions over the next three years, this week.

To provide funds, the company proposes to authorize $30 millions of cumulative redeemable preferred shares. It is expected that $20 millions series "A" 4% cumulative preferred will be issued shortly after the necessary by-law has been passed by Common shareholders. In a letter to shareholders President Wilson states that the preferred stock will have a par of $50 per share and will be issuable in series. He estimates proceeds from the sale of the "A" series together with cash available to the company will be sufficient to carry out the proposed program.

Highlights of Shawinigan's plans are as follows:

Shawinigan Falls—Completion of powerhouse and units now under construction with a capacity of 195,000 h.p. Estimated cost is $12.5 millions part of which is covered by sale of $10 millions first mortgage bonds in 1946.

High Tension System—High voltage lines require new and additional transmission lines, transformer stations, distribution lines, transformer switch gears, insulators, etc.

Retail Sales—Demand for domestic light and power is increasing and capital expenditures are required for extensions and auxiliary equipment.

La Trenche Development — Initial construction work on this should be started in 1949. Plant will be located 6½ miles below the present Rapide Blanc power station on the St. Maurice River. Eventual installed capacity will be approximately 350,000 h.p. and estimated cost is $30 millions. For 1949 capital expenditure on this item is entered at $5 millions. Additional requirements will be financed at a later date.

Mr. Wilson stated that, in the opinion of directors, the issue of

(Continued on page 2, col. 1)

Who's New U. of T. Chancellor Provokes Debate Stalemate

Whether or not the University of Toronto gets a new chancellor is a hot issue. Recent meetings have resulted in stalemate, and now the legalities of the situation are being examined by counsel.

Canon H. J. Cody, former president of the University, is present chancellor. Rt. Hon. Vincent Massey, former High Commissioner to Great Britain, is being put forward in some quarters as successor.

A committee representing the Board of Governors, the University Senate and the Alumni Federation favors the Massey appointment. The Senate as a whole rejected the recommendation. Who does what next is not yet clear.

Dr. Cody was appointed to the chancellorship for a term which was to expire in 1948. Recent amendments in the Ontario legislature provided that the term of the chancellor is to be for three years. Under that amendment, the Board of Governors has raised the chancellorship matter for action this year.

It is being urged by opponents of the move that Dr. Cody was appointed for four years and that his term should not be altered by subsequent legislation.

The Post also learns that George McCullagh, publisher, The Globe and Mail (Toronto) is slated soon to be given a doctor of laws degree. Plans for giving degrees to Lord Beaverbrook, Mrs. Ogden Reid (New York Tribune) and Mr. McCullagh were temporarily deferred when the first two of the trio were unable to attend the scheduled convocation.

Will 'Fellow-Travellers' Control Housewives' Cavalcade to Ottawa?

With a well publicized "bread and butter" cavalcade due to move into Ottawa June 11 to ask the Government to restore price control, many people are taking a second look at the leadership of the Housewives' Consumers' Association and in some cases, seeing Red.

Like so many other popular agitations, this housewives' crusade against rising prices, particularly in the West, has been subverted by the communists and their sympathizers. In some associations, their influence is great; in others, almost negligible, because of an alert, well-informed local leadership or membership.

Notable cases of marked "fellow-traveller" leanings are the Manitoba, Vancouver and Edmonton associations. In B. C. and Alberta, leading lights are the wives of the provincial leaders of the LPP: Mrs. Nigel Morgan in B. C. and Mrs. Ben Swankey in Alberta. In Manitoba the president is an LPP member.

However, it is not fair to brand the whole movement a communist front. In Toronto, for example, whence the leadership is coming for the Dominion-wide lobby on Ottawa, the central body, headed by Mrs. Lily Phelps and CCF-er Mrs. Rae Lucock, has resisted attempts by the pro-communists to move in. Several of the local ward associations, however, are under the thumbs of the communists.

Evidence that Mrs. Phelp's group is non-communist, if not anti-communist, is the fact that the Ottawa junket has been endorsed by the Toronto Labor Council, the Ontario Federation of Labor and finally the Canadian Congress of Labor. All these organizations are vigorously anti-communist.

In addition, the Ottawa demonstration and the brief the housewives will submit, has been approved by the Trades and Labor Congress of Canada, besides the Toronto District Trades and Labor Council (AFL).

What will happen in Ottawa when the Toronto delegates come up against the well-disciplined, persuasive housewives of the far left from other provinces remains to be seen. Certainly, they are going to have to keep their eyes open if they hope to keep control.

Refuse Aid From Left

So far the non-communist Toronto leadership has had things all its own way. At last week's "bread-and-butter" conference in Toronto at which the brief to be presented to Hon. Douglas Abbott was endorsed, the chief speakers were both out-spoken anti-communists: Cleve Kidd, secretary of the Ontario Federation of Labor and Ford Brand, secretary of the Toronto District Trades and Labor council, and a CCF candidate at the last election.

Elsewhere, including ward associations in Toronto, they are in the limelight. An exposure of their activities in Manitoba some time ago resulted in wholesale resignations. In British Columbia,

(Continued on page 2, col. 3)

Commercial Corp. Cushioned Against Rise in Newsprint

OTTAWA (Staff)—It is thought that the overall per ton price quoted to Argentina for its 9,000 tons of newsprint is close to $115—about the price which Scandinavian producers are obtaining in that market, and 15% higher than the price usually quoted by Canadian mills to users outside United States.

The price which the Argentine government is paying is higher than the price which Canadian mills are getting for the newsprint they will ship to the Argentine. Reason for this is that the deal is being handled by Canadian Commercial Corp. and must cover shipments over the balance of the year—a period during which prices at Canadian mills may rise.

The extra price is to protect the government agency against an increase during the life of the contract. If there is any "profit" to the government it will offset in part the substantial loss which another government agency (Commodity Prices Stabilization Corp.) is taking on the purchase of 9,000 tons of edible fats.

$4.3 Million Caustic Soda Plant Planned

Dominion Tar & Chemical Co. Launches $6.3 Million Expansion

MONTREAL (Staff)—Erection of a caustic soda and chlorine plant at Beauharnois, Que., at an estimated cost of $4.3 millions, is part of a $6.3 million expansion program for Dominion Tar & Chemical Co. The plant will be erected by Dominion Alkali & Chemical Co., a new wholly-owned subsidiary now being organized.

This was revealed in a prospectus issued last week covering an additional issue of 150,000 shares of $1 cumulative redeemable preferred stock, par $23.50, which is the balance of 300,000 authorized preferred shares. The shares are offered at $24 to yield 4.17%, by Wood, Gundy & Co., and Greenshields & Co. An original offering of 150,000 preferred shares was made April 1, 1946, at $23.50.

The Beauharnois plant, according to the prospectus "will have an approximate rated capacity of 60 short tons of chlorine, 67½ short tons of caustic soda, and 1¾ short tons of hydrogen; will be engineered by one of the foremost engineers and builders of the U. S., with long experience in the chlorine industry."

Other items on the expansion program are an estimated $950,000 for the salt plant of its subsidiary, Prairie Salt Co., at Unity, Sask., and $1,125,000 for expansion of the phthalic anhydride plant and steam plant facilities at Toronto.

Increased dividend requirements on the preferred stock of $150,000 as a result of the new issue represent 33c. a share on each of the 442,000 common shares outstanding. On the basis of 1946 net profit of $1,219,337 (but with preferred dividend requirements of $300,000), earnings per share on the common would be approximately $2.08, compared to $2.40 actually earned in 1946. On the same basis, earnings on the preferred would have been $4.06 compared to actual of $8.13. Preferred stock on the Montreal exchange is currently selling at $24.25—$25.

Brokers Rebel From Proposed Security Acts

Fear "Red Tape" to Be Added — Unlisted Trading Gets Curb

While two bills providing new legislation for the Ontario securities business are only now being printed for submission to the Ontario Legislature later this month, strong criticism has already been generated in Toronto Stock Exchange and over-the-counter quarters by radical changes proposed in the main Securities Act (1947), The Financial Post learns.

At present, any broker or security dealer is completely free to act as either broker or principal. That is, he can act as either an agent taking a commission or, alternatively, as a dealer buying and selling his own shares (and not taking a commission). He indicates the situation on the stock confirmation. The latter power is widely credited with facilitating promotion and financing of new companies in years past.

Under the proposed Securities Act (1947), members of the Toronto Stock Exchange would now lose the privilege of acting as principals unless they are prepared to (a) join the Investment Dealers' Association; (b) join the "Broker-Dealers' Association" provided for over-the-counter trading by the second security act; or (c) form a special limited company.

Claim Discrimination

Members of the Toronto Stock Exchange contend that this will represent a serious discrimination against a major section of the financial community. Members of the Investment Dealers' Association and the Broker-Dealers' Association will possess the right to act both as commission agents and principals with no requirement that they join other organizations or form new limited companies.

The apparent object of various "designations" in the proposed Securities Act (1947), as at present proposed, is to divorce, at least partly, the functions of broker and dealer, "broker" meaning a commission agent and dealer, a principal.

Member brokers interviewed by The Post were of the opinion that the value of dividing the functions of broker and principal were limited and that the public interest would perhaps be better served by the broker's making a full disclosure of his interest when acting as a principal. No one seemed to favor "new machinery" for stock exchange members, although it was pointed out that some exchange members were already IDA members or already had separate limited liability companies to handle their

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IS THE ADDRESS RIGHT?

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Inside News

It's Newfoundland's Year

A new Newfoundland is being born this year, as its 300,000 inhabitants prepare to decide their political future, after 13 years of Commission government. With a delegation from the Island Dominion scheduled to visit Ottawa this month, to talk of possible union with Canada, The Financial Posts' annual survey of Newfoundland is particularly timely (pages 25 to 37).

Better Markets Ahead

Canadian stock markets should be on the upswing again by the end of 1947, if not sooner, in the opinion of market analysts queried by The Financial Post. They are not unanimous in their views; but the majority predict a returning bull market, in anticipation of a business upswing by the first quarter of 1948 (p. 13).

Biggest Spending Spree

Canada is in the midst of the greatest spending spree in her history. From peanuts to tractors, she is buying more of almost everything from the United States, than ever before. In March, 1947, our purchases in the U. S. were $165.6 millions, a 65% jump over a year before; 400% greater than in March, 1938. Kenneth R. Wilson, The Financial Post's Ottawa staff writer, analyzes the trend (p. 13).

Election Issues Galore

Tax levels, trade policies, government controls, industrial legislation, immigration, social security, and Dominion-provincial relations, are among the issues on which the next Canadian election may be fought, in the opinion of informed observers interviewed by The Financial Post. Few felt that any one issue would dominate the campaign (p. 17).

Car Theft Simplified?

Decentralized licensing of motor cars in Canada encourages theft of cars, by making easy interprovincial traffic in forged registration cards, a professional car thief tells The Financial Post. Exact figures on the number of cars stolen and recovered throughout the Dominion, are unavailable; but insurance claims on such grounds, in an 18-month period, totalled $992,821 (p. 13).

Royal Dark Horse?

Nearly every minister in the Socialist Government is under fire in England today; but the Labor party at large is optimistic as to its political future. Liberals have indicated that they will again play a lone hand, rather than joining the Tories in an anti-Socialist front. The King's horse Blue Train might possibly prove a winner in the Derby this week. London Calling, by Adelphi (p. 24).

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The Pace of Business

Stock market undertone seems generally stronger. Western oil issues stand out with sharp advances in Imperial, Okalta, Homestead and others with interests in new Luduc area. New well at Princess broadens market following. Toronto and Montreal industrials narrowly stronger and golds better.

78% jump in financing of new and used motor vehicles in April over year ago. Over 10,500 financed. Substantial gain over March.

Life insurance sales showed a 1½% April decline compared with 1946; first decline in almost two years.

Almost all wheat seeding on Prairies completed. Saskatchewan, furthest behind, had 83% of acreage sown late May. Warm weather needed there with rains. Spring planting of all kinds far behind in southwestern Ontario due to excessive rains, backward season.

Higher wholesale prices continue rule, DBS reports. General wholesale commodity index rose 2.5 points to 122.9 in April; continues unbroken rise since last September. Seven of eight sub-indices (all but non-ferrous metals) showed increases.

Country general store sales had 3% increase in April over same 1946 month. Gain over March, 1947, was 8%. Average increase for first four months of 1947 was 6.1% compared with similar 1946 period

Car loadings lower at 71,132 cars, week ended May 24, 1947—possibly due to May 24 holiday—but showed an increase of 10,096 cars or 16.5% compared with last year.

Tourist car entries from U. S. down almost 10% in April but nevertheless second highest April on record.

Output of leading minerals showed increases in most lines in first quarter, DBS reports. Asbestos, cement, gypsum, nickel and salt, each up third or better in quarter. Coal, lead, petroleum, silver and zinc lower.

An adverse balance of $8.2 millions on Canadian trade in securities with other countries in March. Largest excess of purchases over sales since April, 1937. In previous month, sales balanced purchases while sales exceeded purchases by $20.2 millions, March, 1946.

April cheques cashed reached $6,043 millions—5% more than same 1946 month. 3.7% over first four months last year.

C. P. R. gross earnings showed 20.4% rise at $7.5 millions the 10-day period ending May 31, 1947, compared with same 1946 time.

Power of Minister Cut In New Tax Act

Draft of New Measure to Be Submitted to Tax Officials for Criticism Before Commons Sees It—New Approach on "Rule of Law" Basis

By KENNETH R. WILSON

OTTAWA (Staff)—Two very important points emerge from Hon. D. C. Abbott's statement to the Commons about the completely new income tax act shortly to be presented.

1. The wide discretionary powers now granted to the minister will be almost entirely eliminated.

2. Unlike earlier practice of the Finance Department, the new measure will be submitted in draft form well ahead of the probably date of enactment, in order to let accountants, lawyers, tax experts, etc., tear it to pieces.

Removal of discretionary powers has enabled Mr. Abbott to promise that he expects it will not now be necessary to create a separate departmental advisory board, as was forecast in the budget speech of 1946. So completely has the old act been overhauled and revamped, that very few discretionary powers will now remain.

The new approach will be to base administration of the act on a "rule of law" basis, leaving new Income Tax Court as the juridical authority in case of dispute. Under the present system, ministerial discretion has been, in most cases, the final authority.

Key to the new approach is to be found in a typical amendment already made to the Income Tax Act respecting depletion allowance for mines. The old section five (IA) of the act gave the Minister of National Revenue "full power" to apportion the deduction and his decision was conclusive. This was the sort of discretionary power which most courts upheld as being above the law provided the discretionary power had been exercised within the law.

The new mineral depletion clause points the way to what is the essence of the new act. It provides that regulatory authority shall be exercised not by ministerial discretion but by order-in-council. Thus the "rule of law" is substituted for the old discretionary power—a rule of law which will henceforth be backed up by a flexible and readily accessible appeal court to whom any taxpayer may appeal by payment of $15 bond. Under the present system the only recourse via the courts was to the exchequer court—a court which could be approached only by payment of a $400 bond.

When a new approach was originally suggested, it was thought that a "buffer" committee would be necessary between the taxpayer and the overriding authority to advise in respect of discretionary powers. Now that the bulk of these discretionary powers are to be removed, it is thought that the advisory committee need not be appointed, and the machinery can be streamlined accordingly.

The new act is expected to be tabled in the house within two weeks. It is also expected that the new Income Tax Court will be named during the summer, in advance of the time when the new act itself will be ready for enactment.

4 Month Export Of Pulp, Paper $163 Millions

MONTREAL (Staff) — In the first four months of 1947 Canada's forest industries produced virtually a third of this country's total exports. Evidence of her dependence on the forest industries—pulp and paper in particular—is provided by the fact that out of a $788 million total approximately 21% of exports for the first four months were pulp and paper.

Total exports of forest products at $260 millions exceeded all agricultural and vegetable products at $179 millions. This latter figure is only 9% greater than total pulp and paper exports alone. Pulp exports were $52.7 millions; newsprint totalled $101.9 millions and other papers and board amounted to $8.6 millions—a total of $163.2 millions.

On an annual basis, the pulp and paper industry is now exporting at the rate of $490 millions. On the assumption that 70% of pulp and paper products are exported, production is indicated at the rate of $650 millions a year. Exports of pulp and paper by classification are roughly: pulp, $158 millions; newsprint $306 millions; other papers and board, $25 millions.

Smart Summer Headwork

When summer heatwaves take the offensive cool headwork by experienced hatters will turn them aside. Typical of the wide array of "Heat-beaters" you'll find at Eaton's are the cool, lightweight sailors, Bakus, Shantungs, Panamas and the "Miami Mesh" (cotton) smartly fashioned in your size and style to help keep your head high and cool through the sweltering days ahead.

EATON'S

Will 'Fellow-travellers' Control Women's Lobby?

(Continued from page 1)

a four-week buyers' strike has flopped dismally. It was stage-managed by people close to the party line.

In view of the marked influence these procommunists have in the movement outside Toronto, who then are the people most likely to challenge the leadership of Mrs. Phelps and Mrs. Lucock? Here's a province-by-province survey:

Maritimes: Halifax association led by Mrs. M. B. Murphy, a familiar and active figure in such popular movements but who is not tied openly to any political party. Other members maintain political independence too. Says Mrs. Murphy: "We are going to show those monkeys at Ottawa that we mean business."

At a meeting this week, J. K. Bell, secretary of the LPP in Nova Scotia, brought up the touchy matter of political affiliation and summed up the presentation this way: "Let them call us Red—so we're Reds; it's better than being yellow."

Quebec: President Montreal Consumers' Federation is Mrs. F. O. Lee, secretary, Kay Betts. Political affiliation unknown. Of the ten district associations in Montreal, most active is Verdun Housewives' League. Head of Verdun group is Mrs. Jean Newman. Wearing banners and carrying placards that said, "Roll Back Prices Now" and "On to Ottawa, June 11," last week they collected 400 signatures and sold 100 buttons inscribed with, "Halt High Prices." Mayor Wilson of Verdun has said he is solidly behind the agitation.

Ontario: The Labor Progressive Party, according to The Daily Tribune, is holding street meetings and gathering names on petitions in Toronto, to roll back prices. In East Toronto, pro-communist unions but no anti-communist, were represented at a meeting which set up a consumers' committee. One of the committee is Reginald Wright, a former LPP candidate in Toronto.

In the West end, stores were picketed and shoppers asked to sign petitions. A union official who has had a lot to do with keeping the communists out of the central organization, said this west-end demonstration was strictly a communist affair. "Our people would be too embarrassed to do that sort of thing," he said.

At the Lakehead, the women's auxiliary of the Port Arthur Trades and Labor council, which has consistently followed the party line in the past, tied in with the unsuccessful buyers' strike in western Canada. They even adopted the same tactics of the B. C. pro-communist group: a chain telephone campaign.

Manitoba: Executive members of the Manitoba Housewives' Consumers' Association said they are aware that their president, Mrs. Anne Ross and also Mrs. Margaret Chunn, a delegate on an earlier Ottawa delegation about prices, were members of the LPP. This statement in a Winnipeg newspaper resulted in scores of resignations.

The association claims more than 1,000 members in Winnipeg, Brandon and other centres. On April 19, a buyers' strike announced but so far, it has little or no effect either in lowering prices or in reducing sales.

Saskatchewan: Prime movers in Regina buyers' strike are Mrs. Mabel Hanway, president Housewives' Consumers' League; Mrs. Eva Thompson, vice-president; Mrs. C. A. Farrow, secretary. Strike committee includes Mrs. Florence Theodore who ran as LPP candidate in Regina in 1945.

President Mrs. Hanway is reported to be Socialist.

Effect of the buyers' strike so far: one butcher has reduced prices 25-35%; some stores selling chocolate bars at 6c. Survey shows there has been a falling off in business but this is believed due more to selective buying rather than the strike.

In Saskatoon, members of the association say that at least three of the top executives are members of or sympathetic to, the LPP. One officer of the local branch said: "A communist element, small but very vocal, is at work here."

One of the names associated with the group until recently was that of Josephine Gehl, well-known LPP member. Present leaders are Helen Wheaton, president believed to be CCF and Dorothy N. Wall, secretary. Mrs. Wall reported to be an LPP sympathizer ran in the last civic election but was defeated. Another official is leftist Sofia Dixon.

Alberta: The Edmonton Housewives' League is as close to the LPP as any other association in Canada. Its president is Mrs. Ben Swankey, wife of the provincial leader of the LPP. At a May Day rally, she announced a buyers' strike from May 10 to June 10. So far, there has been no noticeable effect on sales.

The Edmonton Consumers' council is headed by Ray Garnea, Alberta's Farmer's union representative. Other delegates come from labor unions, teacher associations, community leagues.

At a meeting of the Canadian Legion, LPP leader Ben Swankey asked for support of the council and got it, almost unanimously.

British Columbia: Association in Vancouver is just about as close to the LPP as the Edmonton group. One of the leaders is Mrs. Mona Morgan, wife of the B. C. LPP provincial leader, Nigel Morgan. Mrs. Morgan is also secretary to Ernest Dalskog, international board member of the reddish International Woodworkers of America. Other leading lights: Mrs. Doris Hartley and Mrs. Marjorie Cray, political affiliation unknown.

Association actually consists of about 50 active members, although it sounds as if it represents 50,000. This is due to the peculiar faculty of the communists to make something out of nothing and the fact that it is supported by a number of B. C. labor unions. There are about 15 separate organizations. The buyers' strike they called a month ago, has been a dismal failure.

Brokers Oppose Securities Act

(Continued from page 1)

underwriting business and would thus not be particularly affected.

Prospectus Feature Criticized

Just as concerned over the Securities Act (1947) as Toronto Stock Exchange member firms—perhaps even more so—are firms engaged in the over-the-counter mining market business. In early drafting of the Securities Act (1947) it was understood that the requirement for compulsory delivery of a prospectus on all over-the-counter trades would be modified so that availability of a prospectus when asked would be sufficient. The compulsory delivery of a prospectus under the Securities Act (1945) is stated to have proved so unworkable that the provision has not been enforced by the Ontario Securities Commission.

Under the latest draft, it is reported that a seven-day rescission right for non-delivery of a prospectus will be embodied. Fear is voiced in over-the-counter quarters that markets in hundreds of over-the-counter issues will dry up if the Ontario Securities Commission is now prepared to enforce such a provision.

"If any client can ask for his money back seven days after he buys simply because we didn't supply him with a prospectus at the time he telephoned an order in, who will take a chance on filling orders?" one over-the-counter man asked. People in towns outside of Toronto might virtually be barred from filling of their over-the-counter orders for days because it would be physically impossible to supply prospectuses immediately, brokers declare.

Two Other Acts Deferred

Originally it had been planned to bring down two further acts at the resumed session of the Legislature. It is understood, however, that only the two acts mentioned will be introduced. The Investment Dealers' Act and Toronto Stock Exchange acts have thus been deferred.

The bill covering the act to incorporate the Broker-Dealers' Association is a relatively simple one comprising eight sections, it is understood. Its main powers are embodied in the fifth section which permits the Association to regulate the conduct of its members subject to the approval of the Ontario Securities Commission. The power of the Association to levy fines on its members (proposed in an earlier draft) has now been eliminated.

CANADIAN METAL MINING ASSOCIATION represents 60 of the major operating mines in the Dominion, President J. G. McCrea told members at the annual meeting. "There is no section of the country nor branch of the industry which is not represented," he said.

"Since our organization is concerned with matters in the federal field, it was intended that we should keep in close touch with the various departments of Government on matters affecting the industry with a view to better understanding between them and us. In so doing, there was no suggestion of a lobby, but only the idea of co-operation and a fair attitude toward industry."

Shawinigan Expansion Plan

(Continued from page 1)

preferred stock will provide a type of security which maintains a proper balance between funded debt and equity capital. On the basis of 1946 net profit of $3.1 millions The Financial Post estimates dividend requirements on the new preferred would have meant approximately 36c. per share on the common or $1.11 per share against the $1.47 actually earned.

Some observers here feel the announcement helps to clear the utilities air in the province after the recent MLH & P deal. Some utilities men say the hot breath of "expropriation" appears to have cooled out. They feel few companies would proceed with a multi-million dollar expansion plan if they believed the Government would shortly step in.

Improved Position Seen For Inglis

Declaration of an interim dividend of 10 cents payable July 1 on the common shares of John Inglis Co. reflects the improved position of the company which has completed conversion from wartime to peacetime production, it is understood. The last dividend was paid on Aug. 1, 1945.

The annual report for the year ended March 31, 1947, will be forwarded to shareholders in two weeks and the annual meeting of shareholders will be held on June 30. The company has a substantial volume of orders on hand in both the general engineering and consumer products division, it is stated.

INDEPENDENT PUBLIC ACCOUNTANTS ASSOCIATION OF ONTARIO

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ANNOUNCING

Important Appointments in Canadian Industry, Finance, Business and Government.

Albert Jarvis Ltd. (Toronto)—Donald F. Philip, a vice-president.

American Institute of Actuaries—J. Gordon Beatty (Toronto), president.

American Foundrymen's Association (British Columbia Chapter)—Norman Terry (Vancouver) chairman; Thos. Cowden, vice-chairman; Lovick P. Young, secretary-treasurer.

American Institute of Laundering—Arthur B. Christopher (Vancouver) president.

Canadian National Railways—M. H. Membery, assistant chief of tariff bureau (Montreal).

Canadian Niagara Bridge Co.—N. R. Crump (Toronto), Wm. Manson (Montreal), directors.

Canadian Manufacturers' Association—R. C. Berkinshaw (Toronto), president; N. A. Hesler (Sackville), M. A. East (Saskatoon), vice-presidents.

Canadian Fairbanks Morse Co.—E. E. Jackson, secretary.

Dominion Mortgage & Investments Association—R. H. Reid (London, Ont.) president; T. D. Leonard (Toronto), H. E. Langford (Toronto) vice-presidents.

Dalglish Chemicals Ltd—R. E. Kirbyson, vice-president, in charge of sales, advertising and marketing.

Dominion Steel & Coal Corp.—C. G. Terry (New York), R. J. Wysor (Cleveland) directors.

Dominion Fire Insurance Co.—V. R. Smith, a director.

Ducks Unlimited—Arthur M. Bartley (New York) executive director; G. Konantz (Winnipeg), vice-president; Geo. Fanset (Winnipeg) resident manager for Canada; E. B. Pitblado (Winnipeg) secretary.

Excelsior Life Insurance Co.—Morgan S. Crockford, secretary.

Great-West Life Assurance Co.—Harry A. Gillespie, manager Vancouver loan office.

Harrison & Co. (Toronto)—Alfred J. Rose, Windsor representative.

Hudson Motor Car Co.— Geo. H. Pratt, vice-president in charge of sales.

John Inglis Co. (Toronto)—James McKenzie, executive engineer, general engineering division; Chas. D. Bailey, chief engineer; Thos. H. Broadhurst, mechanical engineer, pulp and paper equipment.

Institute of Internal Auditors (Toronto Chapter)—Geo. Appleton, president; Blake A. Cockburn, vice-president; Robert H. Wood, secretary.

Insurance Agents' Association of British Columbia—H. L. Hutton (New Westminster) president.

Junior Chamber of Commerce of Canada—Donald MacKay (Calgary) president; Philip Pugsley (Montreal), Robert Kirkwood (Moose Jaw), James Hill (St. Catharines), Frank Chapple (Fort William), J. A. Mongrain (Three Rivers) vice-presidents.

Montreal Curb Market—W. H. Leggat, Malcolm Reilly, board members.

Mathews Conveyer Co. (Port Hope)—H. S. Winfield, general sales manager; R. W. McNally, manager, Hamilton; Walter McDonald, assistant engineer, Toronto.

G. R. Marshall & Co. (Toronto)—Frank H. Vercoe, an associate.

National Office Management Association (Toronto Chapter)—H. B. Halliday, president; F. E. Armstrong, vice-president; C. K. Broughton, R. Cary, P. G. J. Kerr, directors.

National Construction Council of Canada—R. A. McNair, George E. Treloar, councillors (both Toronto).

Society of Industrial Accountants of B. C.—Nick Abramsen, president; V. E. Feinmann, T. K. Milne, vice-presidents; C. H. Davis, secretary-treasurer.

Supreme Court of Canada—C. H. Locke (Vancouver), a puisne judge.

Stewart-Lovick & Macpherson Ltd.—H. A. K. Lane, Winnipeg office member.

Toronto, Hamilton & Buffalo Railway Co.—N. R. Crump (Toronto), Geo. A. Walker (Montreal), directors.

Tuckett Tobacco Co. (Hamilton)—Harold S. Ambrose, W. H. Budden, Francis Vila (all of Hamilton), Jas. A. Eccles (Montreal), directors.

United Kingdom Government—W. G. Coventry, trade commissioner, Winnipeg.

War Assets Corp.—E. J. McWilliams, manager, Ottawa division, organization & personnel department; G. F. Walsh, manager of personnel services, Montreal; D. D. Deane, supervisor of employment, Montreal; H. B. Hunter, western region personnel representative, Vancouver; F. A. Heubach, acting manager of adminstrative services, Montreal.

Hint Floor Price for Butter When Ceilings Are Removed

OTTAWA (Staff) — WPTB's June program of decontrol is still hanging fire, awaiting cabinet decision, but its details correspond very closely — in fact almost too closely — with information published this week.

Published lists of items expected to be decontrolled include: butter, jams, jellies, ice cream, meals, hardwood lumber products such as plywood and hardwood veneers, lead, copper, zinc and a number of textile items such as drapes, blinds, men's underwear, fireplace equipment, etc.

This list corresponds with a confidential statement prepared about two weeks ago for submission to the cabinet. Meanwhile some additions and subtractions have been made, even though the main outlines are still substantially correct. That is, assuming that the cabinet doesn't require further changes.

One important step expected when butter is removed from price control and rationing is the placing of a floor under butter prices. The floor, as suggested a short time ago was a pretty high one, but it is not thought that the cabinet will finally stomach as substantial a "support price." However, there is no telling just what Agriculture Minister Gardiner will be able, in the last analysis, to extract from his cabinet colleagues.

Warm Welcome No 'Pressure' For Nfld. Group

OTTAWA (Staff)—When the Newfoundland delegation arrives June 25, it will find a large "Welcome" on the mat. Beyond that, only a free and friendly discussion of Dominion-Island relations is anticipated at this time.

The Federal Government will make no formal "offer," partly because the delegation is not a group with whom a Canadian Government can officially deal. But it will be possible to give the delegation a very good idea of the sort of minimum cash and other benefits which Newfoundland would automatically receive if it were to become the 10th province.

Apart from this, it is felt that there will be two other overriding considerations:

1. That Newfoundland itself will in all probability be in no hurry to embrace Confederation until at least it has given responsible government a further trial.

2. That if there is ever to be confederation, very special treatment and financial consideration will have to be given Newfoundland over and above an offer which would merely place Newfoundlanders on a par with citizens of any other province.

No "Pressure" Move

The Government will go out of its way in the June talks to make sure that the visitors get a warm welcome. They will be welcomed for many reasons—partly because of Canada's very real and compelling "self-interest" so far as this easterly defense rampart is concerned; partly because relations between the two countries as to trade and other matters have always been on a cordial basis.

But in light of the many problems now besetting both Newfoundland and Canada, there won't be any overzeal such as might make the delegation feel that any pressure is being brought to bear.

For one thing, Canada is in no position to be too dogmatic about a Newfoundland "offer" pending some clearer settlement of its own highly complicated federal-provincial relationships. Equally, the situation in Newfoundland itself is far from clear, pending some referendum or clarification of policy within the country itself.

What will be of great interest here is to see what the reaction will be in Newfoundland and among the delegation itself when comparable figures for Newfoundland as a "tenth" province are presented.

Harding Carpets Sales Rise 31%

Continuation of the better results experienced in the latter part of 1946 by Harding Carpets Ltd. has resulted in an increase in dividends. With announcement of a 30c. payment on July 2, 1947, 50c. will have been paid in 1947 to date (30c. during all of 1946).

Outlook for the company is bright, with a considerable volume of back orders to be filled, it is stated. Sales for the first six months show a 31% rise in dollar value over the corresponding 1946 period. In common with other industries, the company is faced with rising costs, increasing competition (particularly from Great Britain and India) and continued difficulties in obtaining a steady flow of raw materials.

Directors have decided to declare and pay dividends quarterly, commencing with the quarter ending Sept. 30 next, instead of semiannually.

The $388,500 4% serial debentures of the subsidiary, Guelph Carpet & Worsted Spinning Mills Ltd. have been called at 103, and a new issue of $388,000 3¼% serial debentures of similar maturities has been sold at 103.335, resulting in a saving of interest during the life of the debentures of some $20,000.

Alberta Coal Output Running Below 1946

From Our Own Correspondent

EDMONTON—Alberta coal production of 2,717,686 tons for first four months of 1947 is 448,317 tons short of corresponding period a year ago, John Crawford, Chief Inspector of Mines, reports.

In April, 614,477 tons mined was a decrease of 34,164 tons from April, 1946.

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Simpson's SHOES FOR MEN — STREET FLOOR

Archaic Labor Laws Held to Blame For Current Wave of Strike Threats

Despite what appear to be storm signals going up in the smelting, rubber, meat packing and electrical industries, the current labor unrest is not deep-rooted and concerted strike action is highly unlikely. This opinion was given The Financial Post this week by a top-ranking CIO official after he had sat in on the big pow-wow of the revived Wage Co-ordinating Committee of the CCL in Toronto.

This seemed to confirm a report that at the strategy-planning session, the CCL unions were warned to go slow and advised against recommending strike action by Pat Conroy, Congress secretary-treasurer and the real power behind the CCL throne. If this advice was given, it would have been merely underscoring what has been 1947 CCL policy all along.

The current strike talk in most cases, this official said, is merely the prelude to conciliation proceedings. If it is causing any alarm, the blame should be laid, he added, on what he called the archaic labor laws and machinery in Canada.

By this he meant that in practice, conciliation services are not available until management and labor are deadlocked. By the time this occurs (see below) the union has usually voted to strike and relations are strained to the breaking point.

This means, he said further, that a union almost invariably has to threaten to strike before it can get a conciliation board. To some extent, this policy—he called it short-sighted—is responsible for most of today's strike threats. He said he thought the record this year would confirm his theory.

* * *

Inco Dispute Referred To Conciliation

For evidence to support this proposition that the present strike talk is merely preliminary sparring you only have to turn to the dispute between the International Nickel Co. and the International Union of Mine Mill and Smelter Workers (CIO-CCL). Last week you could have got 10-1 odds that there would have been a strike. Today both disputes—the one at the Port Colbourne plant and the one at Sudbury involving 13,000 men altogether—are in the hands of concilation boards. This doesn't assure a peaceful settlement, but it does prove a point about current strike threats.

The same thing applies to the dispute between the communist-led United Electrical Workers (CIO-CCL) and the Canadian General Electric Co. plant at Peterboro. On the surface, it appears as if the gulf between what the union wants (20c.) and what the company is offering (4c.) is too wide to bridge and a strike is inevitable. In fact, the union has announced that "if and when necessary" a strike vote will be taken. But this is a far more moderate attitude than the adamant stand taken preceding last year's wave of strikes.

* * *

Rubber Workers Ask 20c. Employers Offer 5c.

Strikes are also threatened in two other major industries—rubber and meat packing—but in both cases, circumstances suggest neither disputes will come to that. The United Rubber Workers (CIO-CCL) was the first major CIO union to announce a wage objective this year (20c. an hour). So far, the best offer they've had is 5c. What seems to be disturbing the union is that the whole industry has agreed on this amount, suggesting a united front of manufacturers to fend off union jabs at individual employers.

This policy of tackling one firm at a time was to have been the URWA tactics this year, The Post is informed. The thinking behind this is said to be based on the fact that supply of tires is now catching up with demand. No one firm can afford a shutdown and thus give a competitor a big advantage. The union feels that this economic pressure should work in their favor this year. Last year, it was the other way around. To make it hurt, the union had to call an industry-wide strike.

Evidence of this changed attitude is the union statement complaining of the industry's "concerted efforts to defeat the purpose of the present wage negotiations, particularly in view of the fact that the union this year, at management's suggestion, is not insisting on an industry-wide standard settlement but has left each of its locals free to negotiate its own settlement."

About 12,000 workers are involved in the current wage talks. So far the only untoward incident was a one-day wildcat strike at the Goodyear plant in Bowmanville, Ont. The general feeling is that as soon as the offer hits two figures, the union will reach for it with both hands.

* * *

Provincial Jurisdiction In Labor Deplored

Possibility of a strike in the packing industry is even more unlikely. In the first place, existing contracts don't expire until Aug. 1 and in the last two or three years, when conditions favored labor, settlement was finally reached by conciliation. The Packing House Workers (CIO-CCL) represents 25,000 workers and is asking 15c. an hour more.

At a meeting in Toronto last week, Fred Dowling, Canadian director of the union, said: "At no time have we been able to come to an agreement through negotiations." Then he went on to deplore the return of labor matters to provincial control. This, he said, was playing right into the hands of manufacturers.

"The packers," he said, "will use this provincial policy to force the use of a conciliator in every province. We cannot afford this delay. Our union will not accept concilation on a provincial basis because that would mean a situation the companies could take advantage of. If it comes to that, we will have no recourse but to strike. This method of accomplishing the anti-labor legislation of the United States by the back-door method won't work with our union."

* * *

Two Strikes Settled But Others Threatened

While talk of new strikes grew louder and louder, two old strikes were being settled. The confusing walkout of construction laborers from several big jobs in Toronto, including the new Bank of Montreal 16-story building, came to an end over the week end. The workers, members of the Amalgamated Building and Construction Workers' union (CCL), struck for $1 an hour but settled for 90c. or about 15c. more than they were getting.

In suburban Toronto the seven-week-old strike at Moffat's Ltd., stove manufacturers, came to an end on terms only slightly different from those rejected a week ago. The 600 men and women, all members of the United Steelworkers (CIO-CCL), struck for 13½c., were offered 3c. The original offer which was turned down would have given them 3c. immediately and referred additional raises and other points to arbitration. The formula which sent the workers back to their jobs provided for three days of negotiations on the wage issue.

If this fails to result in agreement on any other figure, the 3c. will be paid and the rest submitted to arbitration. Now the Moffat company can get down to work on $10,000 worth of orders for electric stoves for South Africa.

* * *

Sullivan Strikes Back Claims 1,500 Members

Other touchy management—labor spots:

The United Auto Workers (CIO-CCL) and the Toronto and Brantford plants of the Massey-Harris Co. The union is asking a raise of 15c. an hour for 6,000 employees and pay for eight statutory holidays. The company made a counter-offer which was not accepted and talk of a strike began. However, negotiations resumed on Monday.

No settlement in sight in the often violent strike at the Ottawa Car and Aircraft plant which has been strike-bound for three months. The union involved: the United Auto Workers. The issues: wage increases and the checkoff. A back-to-work movement touched off clashes between police escorting workers into the plant and augmented picket lines.

At Montreal, J. A. Pat Sullivan hit the news columns again. He announced his new Canadian Lake Sailors' union has a paid-up membership of 1,500 and was prepared to take strike action. This militant talk took a little of the communist steam out of his former colleagues in the Canadian Seamen's union. When Sullivan first announced his new union, they branded it a company plot. Now they are protesting that Sullivan can't have as many members as he says because there aren't many more than 1,500 men on the lakes and the CSU has most of them signed up. It looked like ex-communist Sullivan was in the driver's seat.

Local 4, United Telephone Workers of Canada (CCL) has set June 8 as the deadline for settlement of their demands with Northern Electric. A conciliation board hearing on the union request for a raise of 13c. an hour and the union shop is expected daily. The union claims 350 members among the employees of the Bell Telephone subsidiary in Toronto. The men are repair and installation workers.

* * *

AFL Textile Leadership Is Called Inadequate

Another union of the far left, this time the AFL United Textile Workers of America, has been publicly rebuked. This is the union involved in the Lachute textile strike.

Murray Cotterill, president of the Toronto Labor Council, has written to 600 employees of the Monarch Knitting Co.'s two Toronto plants charging that the leadership of the AFL union is "inadequate" and suggesting that the employees join the CIO Textile Workers union.

CONSOLIDATED CENTRAL CADILLAC MINES balance of 142,000 shares at 40 cents and 58,000 shares at 45 cents under option to Federal Trading & Agency Co., has been converted into an underwriting at 25 cents a share, payment for which has been received. Issued capital is 3,122,400 shares.

It's Your Money

By W. BRUCE MACKINNON
Maclean-Hunter Editorial Research

Revenue Minister McCann recently reported on the size of the Civil Service, comparing the 1947 figures with the wartime peaks for individual departments. Added here are the figures for 1939.

Revenue Minister McCann pointed out that the current total of 120,946 was a reduction from the war peak of 142,000. He did not explain why seven departments, currently employing ½ of 1% of the Civil Service force, should be the only ones to cut staff below the 1939 level.

Departments Not Changed	1939	1947	War Peak
Library of Parliament	27	27	27
Dept's with Fewer			
Archives	67	57	46
Auditor-General	231	190	386
Electoral Officer	15	10	23
Gov. General Secretariat	14	11	14
Inter. Joint Com'm	6	3	6
Senate Staff	145	82	88
House of Common Staff	516	301	301
Dept's with More			
Agriculture	3,122	3,996	3,867
Civil Service Comm'n	235	571	733
External Affairs	193	725	436
Finance	1,432	6,271	10,451
Fisheries	325	581	979
Insurance	53	55	61
Justice	1,091	1,227	1,216
Labor	164	873	2,813
Unemployment Insurance	80	8,077	10,185
Mines and Resources	3,147	3,658	3,591
National Defense	1,424	15,762	68,376
National Research Council	226	2,119	1,486
National Revenue	5.706	12,448	11,072
Pensions, Health, Welfare, Veterans' Affairs	2,305	21,502	31,102
Post Office	12,518	16,496	14,495
Privy Council	19	39	52
Printing, Stationery	652	781	821
Public Works	4,124	6,317	6,058
RCMP Clerical Staff	86	425	508
Secretary of State	346	475	471
Soldiers' Settlement (VLA)	303	1,716	614
Trade and Commerce	1,794	3,314	1,775
Transport	5,710	7,306	8,030
New Branches			
Film Board	---	662	787
Air Transport	---	41	54
National War Services	---	4	2,041
WPTB	---	3,920	5,726
Reconstruction, Supply	---	902	14,540

M. K. PIKE

until recently president of Dominion Sound Equipments, Ltd., has been appointed a director of the Harry E. Foster Advertising Agencies.

Bed and Mattress Output Up 18.4%

It may be that Canadians decided, quite literally, to take a rest at war's end—possibly a realization that, since they spend one third of their lives in bed, they may as well be comfortable about it.

At any rate, Canada's bed, spring, and mattress industry bounced up the value of its output 18.4% in 1945, compared with the previous year. Dominion Bureau of Statistics figures that the industry produced goods with a value at factory of $21,258,978 in 1945, against $17,947,816 in 1944.

To reach the higher figure took the services of 3,421 employees in 78 plants, compared with 2,911 employees in 75 plants in 1944. They received $5,192,243 in wages and salaries in 1945 ($4,437,726). Cost of materials was $11,653,811 compared with $9,924,830. Value added by manufacture was $9,405,562 ($7,836,756).

Principal products of the industry in 1945 are represented by the following selling values (at factory): mattresses, $8,925,733; springs, $3,191,306; couches, cribs, and cots $2,117,888; beds and bunks, $2,044,040; and pillows and cushions, $738,716..

Ontario has 37 of the 78 establishments; Quebec, 26; Manitoba, 6; British Columbia, 5; Alberta, 2; Nova Scotia, 1, New Brunswick, 1.

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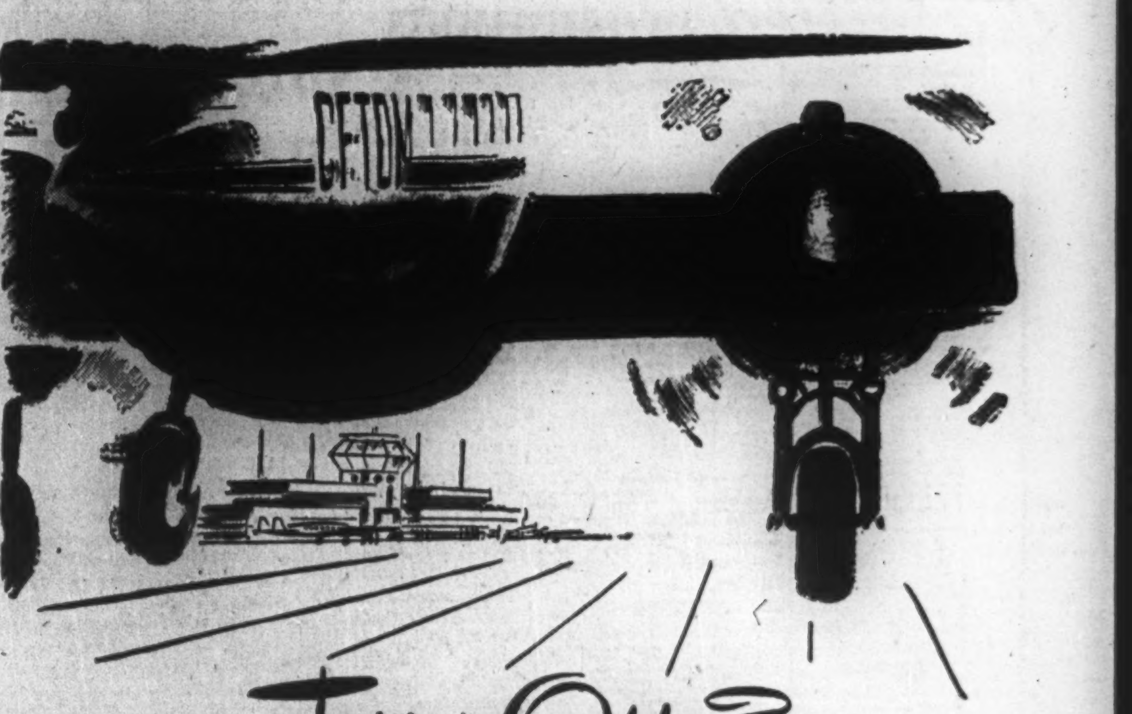

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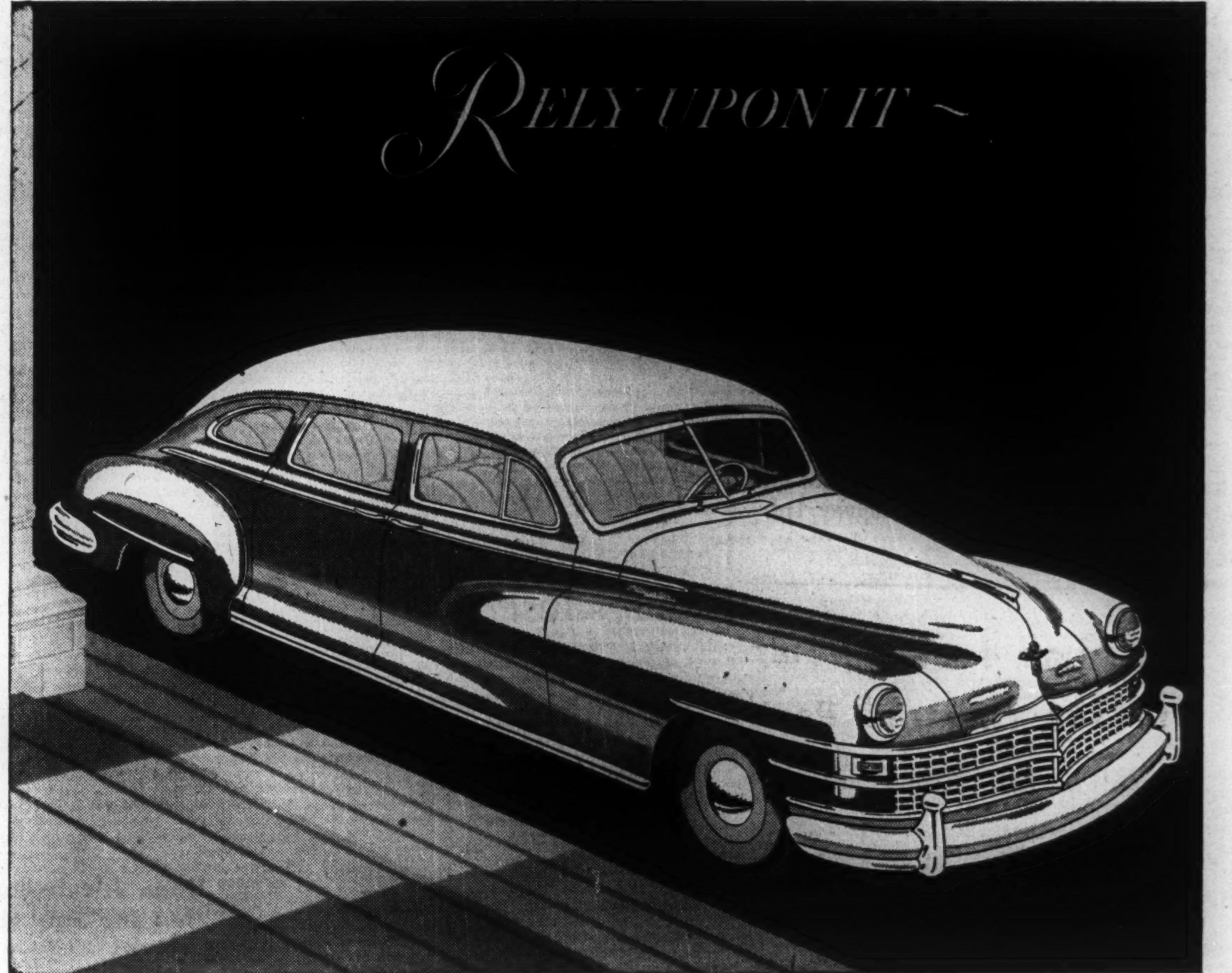

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THE CORPORATION OF THE DISTRICT OF NORTH VANCOUVER

Notice to Holders of Debentures

Pursuant to "District of North Vancouver Debt Refunding Act" The Corporation of the District of North Vancouver hereby gives notice to all owners of the outstanding debentures of The Corporation of the District of North Vancouver and all owners of the outstanding debentures of The Burrard Inlet Tunnel and Bridge Company that are guaranteed by The Corporation of the District of North Vancouver to transfer said debentures to The Corporation of the District of North Vancouver and deliver them and all relevant matured and unpaid and all relevant unmatured and unpaid coupons on the Thirty-first day of July, One thousand nine hundred and forty-seven to The Corporation of the District of North Vancouver at the office of The Canadian Bank of Commerce at the City of North Vancouver, British Columbia, in exchange for a refunding debenture equal in principal amount to 93.96394 per centum of the principal amount of the debenture or debentures to be transferred for exchange as aforesaid.

Dated at the City of North Vancouver, British Columbia, this Twenty-sixth day of May, One thousand nine hundred and forty-seven.

The Corporation of the District of North Vancouver
by M. E. SOWDEN,
Commissioner.

TOWNSHIP OF NORTH YORK

TENDERS FOR DEBENTURES

Sealed tenders, marked as to contents, will be received by the Clerk of the Township of North York up to 12 o'clock noon, D.S.T., Monday, June 9th, 1947, for the purchase of the following instalment debentures.

$171,620.65 payable 1948 to 1957.

Coupon Rate—2½%.

The debentures payable in 1957 are redeemable at the option of the Municipality at face value.

Highest or any tender not necessarily accepted.

Dated at Willowdale, Ontario, this 28th day of May, 1947.

Geo. H. Mitchell, Reeve — F. H. Brown, Treasurer

The Mexican Light and Power Company, Limited

(Incorporated under the Laws of the Dominion of Canada with limited liability)

6% CUMULATIVE INCOME DEBENTURE STOCK

Notice is hereby given that in accordance with the provisions of the Trust Deeds securing the 6% Cumulative Income Debenture Stock, a payment of six per cent. will be made on 1st July, 1947, to stockholders of record on that date. As provided in the Trust Deeds, no transfer will be registered during the twenty-one days immediately preceding the said date of payment.

Payment will be subject to the regulations and instructions of the Custodian of Enemy Property and also to the exchange control restrictions applicable thereto.

Dated 2nd June, 1947.

The Mexican Light and Power Company, Limited,
E. A. GRAYDON,
Secretary.
Toronto, Canada.

The Mexican Light and Power Company, Ltd.

(Incorporated under the Laws of the Dominion of Canada with limited liability)

5% SECOND MORTGAGE 50-YEAR BONDS AND DEBENTURE STOCK, DUE 1968

Notice is hereby given that in accordance with the provisions of the Trust Deeds securing the 5% Second Mortgage Bonds and Debenture Stock, a payment of five per cent., as under, will be made on 1st July, 1947, to the holders of the Second Mortgage Bonds and Debenture Stock, in respect of interest for the year ended 1st December, 1946. Payment will be subject to the regulations and instructions of the Custodian of Enemy Property and also to the exchange control restrictions applicable thereto.

(1) Interest at the rate of one shilling (£0.1.0) for each £1 of stock will be paid on 1st July, 1947, by cheque in sterling to Second Mortgage Debenture Stockholders of record on that date. As provided in the Trust Deeds, no transfer will be registered during the twenty-one days immediately preceding the said date of payment.

(2) Interest at the rate of five pounds (£5.0.0) on each bond of the par value of £100, and two pounds ten shillings (£2.10.0) on each bond of the par value of £50, will be paid in sterling to holders of Second Mortgage Bonds on presentation of Coupon No. 6-X on and after 1st July, 1947, at the Bank of Scotland, 30 Bishopsgate, London, England, or at the office of The Canadian Bank of Commerce, 25 King Street West, Toronto, or at their Agency in New York, Exchange Place & Hanover St., New York City, U.S.A., at the holder's option.

Necessary forms and information regarding encashment of coupons may be obtained from the above banks and from: Canadian & General Finance Co. Ltd., 148 Leadenhall Street, London, E.C.3, England.

Dated 2nd June, 1947.

The Mexican Light and Power Company, Limited,
E. A. GRAYDON,
Secretary.
Toronto, Canada.

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INVESTMENTS THIS WEEK

Interest Seen Mounting In Western Oil Stocks

Although stocks generally displayed strength in the past week, feature of the Canadian stock markets has been the performance of western oil issues. The Toronto Stock Exchange index for 15 stocks of this group was up nearly 20% in a week. Interest in these stocks is at a higher level now than at anytime since the lush days of Turner Valley, according to some market observers.

Chief reason for the sudden renewal of interest was the continuation of favorable reports on the new crude oil discovery at Leduc, Alta., made by Imperial Oil Ltd. With its No. 4 well showing oil on drill stem tests, observers' optimism over the possibility of a new big crude oil field is increased. Ten other drilling programs have been announced. British American Oil Co. is expected to make an announcement shortly (see stor ypage 22).

As an oil field, Leduc is still in infancy. Certain requirements for potential greatness are there. The first three wells disclosed two productive horizons, both proven capable of substantial production. But acreage has yet to be proved up. It is this uncertainty that gives the speculative possibilities, both for profit or loss, to the stocks of the other companies in the Leduc area.

Also adding to the interest in the western oils group was the announcement this week of successful completion of a new oil well in the Princess field, (about 120 miles southwest of Calgary, whereas Leduc is about 175 miles north of Calgary). (See story page 18). This not only adds to the already known possibilities of this field but tends to confirm the theory that light crude oil may be found in other plains' areas.

Back of the added interest in the increasing realization of the probable importance of sources of crude oil reserves. Canadian and U. S. companies are constantly on the search for new supply sources. Public attention has been directed to this by the difficulties of the companies in meeting all demands, which is particularly publicized by the shortage of fuel oil, although lack of refining and storage capacity is the main reasons for the present problem.

Investors in western oils stocks thus can see at least two possibilities:

(a) Profitable production as a result of a company's own drilling operations, or

(b) Royalties or else profit from sale of favorably situated properties to one of the larger companies.

Whether their hopes are realized, will depend on the location of any company's properties in relation to the productive area, the extent of which remains to be proved, or on the finding of oil themselves, a moderately costly operation if a failure.

• • •

Annual Reports

When a company takes no credit or only takes credit in its own report for the profit of any subsidiary to the extent that dividends are received from the subsidiary, some indication of the profitability of the subsidiary should be given shareholders. Obviously this factor may make an important difference in the value of a company's stock. The mere statement of how the item has been handled, while legally in order, does not give shareholders sufficient information to form a true opinion of the value of the stock.

• • •

Thrift Stores Ltd. annual report states that it includes accounts of its subsidiary company but the report does not give the name of the subsidiary or any information about it.

• • •

Wabasso Cotton Co. annual report shows an investment of $222,160 in wholly-owned subsidiary companies and the auditors' report states their profits have not been included in the accounts; but no other mention is made of these subsidiaries in the report. Information about these subsidiaries would add to the value of the report.

• • •

Calculate Extra Equity For Brewers & Distillers

Shareholders of Brewers & Distillers of Vancouver Ltd. have an extra equity of about $1.37 a common share over the book equity of $10.62 a share, analysts note. This is based on the difference between the current market value and the book value of its holding of 122,000 common shares of Distillers Corp.-Seagrams Ltd. With 577,738 of the company's shares outstanding, each shareholder has an interest in over one fifth of a share of Seagrams, it is calculated.

Brewers & Distillers common is currently selling around $15 a share to yield about 4.67% on the basis of the 70c. dividend paid in 1946. At this price it is about 11.8 times 1946 earnings of $1.27 a share.

C. B. Shields Big Investments In Loblaw and Stedman Stock

Slightly under one-third of stock investments in the estate of the late Charles Benjamin Shields, Toronto, vice-president of Loblaw Groceterias Co., were in two Toronto merchandising companies. The estate was valued at $740,720 and of stock and share investments totalling $294,698, approximately 30% was in Loblaw Groceterias and Stedman Bros., or 18.9% in Loblaw stock.

In addition to a wide list of Canadian and American securities held, records filed with the Surrogate Court, Toronto, disclosed the following: $131,488 in Dominion, Provincial and Municipal bonds, $105,887 in insurance and annuities, $143,483 in cash, $29,600 in real estate, $16,570 in mortgages and agreements for sale and $18,994 in miscellaneous assets.

The list of holdings follows:

Investments of Estate

	$
Real estate	29,600
Land mtges. & agreements for sale	16,570
Insurance and annuities	105,887
Cash on hand and in deposit	143,483
Bonds and debentures	131,488
Stocks and shares	294,698
Other assets	18,994
Total	740,720

Stocks and Shares

No.		Market Value $
200	Abitibi P. & P. pfd.	4,075
300	Acadia Atlantic Sugar Cl. A	6,900
50	Air Reduction Co., Inc.	1,700
2,000	Anglo-Canadian Oil Co.	2,500
1,287	Baden Gold Mines	1
26	units Baden Syndicate	1
13,466	Bishop Silver Mines	1
15	British Amer. Rubber Co.	1
65	Brown Co. pfd.	5,070
280	Brown Co.	1,260
150	Caldwell Linen Mills pfd.	4,500
500	Caminex Ltd.	1
10	Canada Bread Co. 4½% pf.	1,039
100	Canada Bread Co. Cl. B pf.	7,200
100	Canada Steamship 5% pfd.	4,850
200	Can. Bank of Commerce	4,350
15	Can. Bartlett Auto. Co.	1
100	Can. Canners conv. pfd.	2,350
100	Can. Canners	2,325
100	Can. Car & Foundry Cl. A.	1,800
100	Can. Celanese	6,100
150	Can. Industries	3,600
85	Can. Oil Co. 5% pfd.	8,988
500	Can. Oil Co.	8,750
200	Can Tire Corp.	5,600
51 10/40th	Can. Westinghouse Co.	2,306
15,000	Cen. Matachewan M. Corp.	1
500	Chesterville Larder	1,825
60	Cons. Mining & Smelting	5,040
250	Cons. Paper Corp.	4,281
50	Crane Co.	1,725
100	Deere & Co.	3,550
50	Dominion Bridge Co.	1,600
200	Dom. Tar & Chemical	5,200
500	East Malartic Mines	1,090
12	Electric Steam Radiation	1
100	Falconbridge Nickel	420
200	Fittings Ltd. Cl. A	2,500
40	Fittings Ltd.	395
50	Ford Motor Co. Cl. A	1,025
1,000	Fresnore Mines	60
50	General Electric Co.	1,750
375	Great Lakes Paper Cl. A	27,563
100	Hollinger Cons.	1,013
150	Hudson Bay M. & S.	6,169
50	Ind. Acceptance Corp. Cl. A	1,600
100	International Nickel Co.	3,400
100	International Paper Co.	4,900
50	International Pete.	725
318	Jackson County Land Corp.	1
8,500	Kirkland-Eastern Gold M.	1
3,000	Laclothian Mines	1
15	Lake Sulphite Pulp Co.	no value
310	Loblaw Groceterias Cl. A	9,533
1,540	Loblaw Groceterias Cl. B	46,200
500	Malartic Gold Fields	1,080
900	Manikuru Gold Fields	1
200	Massey Harris pfd.	5,950
200	Modern Containers Cl. A	4,200
200	Modern Containers	2,700
100	Montreal Locomotive	1,950
100	McColl-Frontenac	2,375
4	National Peat Ltd.	1
50	Phelps Dodge Corp.	1,950
300	Pressed Metals of Amer.	3,[illegible]
500	Prospectors Airways Co.	205
50	Republic Steel Corp.	1,381
50	Royalite Oil Co.	800
1	Scarboro Golf & C. Club	5
300	Silver Alliance Mines	1
2,000	Stedman Bros.	33,000
100	G. Tamblyn	2,650
50	Twentieth Cen. Fox Film	1,563
500	Dominion Bank	13,438
5	Can. Oil Co. } coll. on l'n	1,586
10	Matthews & Co. } coll. on l'n	
	Less: Bal. owing on loan	1,599
	Accrued dividends	1,269
	Total	$294,698

Bonds and Debentures

Par Value $		Market Value $
5,000	Dom. of Canada 3% '66	15,728
10,000	Dom. of Canada 3% '62	10,509
20,000	Dom. of Canada 3% '57	21,219
10,000	Dom. of Canada 3% '63	10,610
20,000	Dom. of Canada 3% '56	21,419
15,000	Dom. of Canada 3% '60	15,839
20,000	Dom. of Canada 3% '59	21,068
6,000	Prov. Nova Scotia 3%	6,111
7,000	City of Windsor 3½% '74	7,014
1,000	City of Windsor 3½% '75	1,002
1,100	War Certificates	969
	Total	131,488

Bathurst Power Earnings Rise

MONTREAL (Staff)—Bathurst Power & Paper Co. reports to shareholders an estimated net profit for the first quarter 1947 of $301,549. This represents earnings per share on the class "A" common of 75c. On a yearly basis, however, the net profit would represent earnings per share on the 400,000 class A of $2.58 and on class "B" of 58c. per share, after participation. This compares with 1946 earnings of $2.28 and 28c. respectively.

From this it is evident that any increase in earnings of this company during the rest of the year will benefit the B stock mainly. The estimates for the full year's earnings indicate that earnings per share on the class "B" would show a 107% increase compared to an increase of 13% on the class A. It is pointed out that this is one case where the junior security benefits from the leverage factor during a period of increasing earnings.

President R. L. Weldon told The Financial Post that the company is looking forward to a period of price decontrol on kraft products. It is generally felt that the ceiling price for kraft products is out of line with some other items such as newsprint. Last year this company produced 76,000 tons of kraft products for various types of cardboard containers. It is believed this represents roughly 30% of the total market for this type of product in eastern Canada. Mr. Weldon tells The Post that exports of unbleached sulphite pulp this year are estimated at about 20,000 tons.

Estimated net earnings of the company before depreciation, depletion and income and excess profits taxes, were $670,049. Depreciation and tax reserves totalled $368,500 for the quarter.

Parmenter-Bulloch Firm Ups Dividend To Employee-Owners

Production of the 100% employee-owned Parmenter & Bulloch Mfg. Co., Gananoque, Ont., was up about 18% in the first year of employee ownership despite the difficulties and limitations caused by shortages of raw materials, A. T. Cornell, vice-president and secretary-treasurer tells The Financial Post. "We are more than delighted with the first year's performance," Mr. Cornell added.

A dividend of $2.50 a share has been declared payable June 10, 1947, as a result of the favorable operating results. This is the second dividend for the new company. The first dividend was $2 a share paid on Nov. 15, 1946. The old company had not paid a dividend for about four years prior to then.

In addition to the $4.50 a share in dividends received in the first year of employee ownership, the shares show an increase of about 20% in book value for the employee shareholders, Mr. Cornell states. This gives some indication of company business during the past year. An annual report is expected to be sent out to shareholders shortly.

Sale of this rivet-making firm, formerly known as Parmenter & Bulloch Co., by its former owners to its employees was reported in The Financial Post of Apr. 13, 1946. It represented a novel means of corporation finance as the transaction employed the payroll deduction technique of the Victory Loan sales to permit employees to buy shares in the company.

Paying the $525,000 price for the factory were 210 employees, 80% of whom raised cash of $252,800. Due to death and retirements the number of employees has dropped to around 175-180 where it has remained for about the last five months. Every one of these employees is buying shares in the company as that is one condition of employment, Mr. Cornell states.

As employees pay $100 a share for their stock, the first two dividends indicate an annual return of 4.50% on their investment. But current declarations do not establish the fixed rate as dividend action will be decided upon each six months, Mr. Cornell pointed out.

At present the company is still catching up on its backlog of orders. It has sufficient orders on hand for at least four months' production, Mr. Cornell states.

Southmont Co. Nearly Liquid

MONTREAL (Staff) — With sale of 29,900 class "A" shares of B. C. Power Corp., Southmount Investment Co.'s holdings are coming close to being in an entirely liquid position. It was announced last week that the company realized around $750,000 from the sale of the balance of its B. C. Power holdings to a syndicate consisting of Wood, Gundy & Co., Collier, Norris & Quinlan and Nesbitt, Thomson & Co., who offered it publicly at $27.50 a share.

As indicated by its balance sheet as at Dec. 31, 1946, Southmount now has most of its money in cash and high grade bonds. After the recent sale of B. C. Power stock, here is how the portfolio looks:

	Principal Am't.
CNR 2¾% 1964-67	$ 100,000
Dom. of Can. 1¾% 1949	60,000
Dom. of Can. 1¾% 1950	435,000
Dom. of Can. 3% 1960	325,000
MLH&P 3½% 1973 (Now Called by Hydro)	14,000
Total bonds	$ 934,000
Keystone Trans. (as offered by Que. Hydro and as shown on books)	$ 306,000
950 Can. Converts' "B" (Estimated market)	11,400
600 Claude Neon Gen. Adv. Preferred	30,000
8,997 Claude Neon Gen. Adv. Common	3,150
40 Industrial Dev't. & Service Co.	?
Total Stocks	44,550
Cash (Estimated)	1,000,000
Total	$ 2,284,500

On the basis of the 4,489,033 shares of Southmount issued value per share on a liquidating basis is estimated to be roughly 50c. This, however, does not take into account dividends which may be accruing to the company or liabilities incurred since the annual report was issued. Current market price for Southmount is 40-45c. a share.

Investment men here believe that some of the 950 shares of Canadian Converters' B stock may be sold privately. Present price of this stock is around $10 and it is felt that the present market could not absorb this number of shares through the stock exchange, without putting the price down unduly. It is understood that the 40 shares of Industrial Development and Service Co. are in the company's books at $100 but there is no market for these shares.

So far, Southmount directors have reached no decision with respect to Quebec Hydro's offer of $306,000 for Keystone Transport, The Financial Post is informed.

Dom. Electrohome Demand Said High

Operations of Dominion Electrohome Industries Ltd. for the fiscal year ending Apr. 30, 1947, were most satisfactory and should reflect an improved position in so far as the operating status is concerned, company officials state. The annual report will probably be sent to shareholders during the month of July, it is stated.

Demand for the company's products has been at a high level, it is stated. Better class radio receivers have been very much in demand and the company anticipates that this situation will continue. The company hopes to bring out frequency modulation receivers early in the autumn.

The furniture division is still distributing through its agents on an allotment basis and it appears it will be many months before supply catches up with demand, it is stated.

The first Electrohome washing Machine came off the production lines recently. In addition, a large number of electric fans have been supplied to all dealers across the country, it is stated.

Donnacona Issue Surprises Many

MONTREAL (Staff) — Announcement last week that Donnacona Paper Co. has sold a $5.5 millions refunding bond issue privately in United States came as a surprise to some investment men here. It was previously felt that the company would take advantage of dollar parity to retire its U. S. pay bonds and place the refunding issue on a Canadian-pay basis. It is stated that the bonds are 15-year and carry 3½% interest coupon, and were sold for approximately par.

As at Feb. 1 this year, there were outstanding $4,987,500 of the originally issued $7 millions of 4½% three-way pay bonds. It is believed proceeds of the new issue will be used to retire the 4½'s and to acquire timber limits through a private arrangement.

One explanation for the sale of the new bonds in United States has been that the Canadian market could not offer the high price for short-term low-interest rate bonds which the company apparently got. In any case, it is pointed out that to sell bonds in United States is the reverse of what has become a trend to repatriate debt at a time of parity. Should the Canadian dollar again go at a discount, interest charges on a U. S. pay bond will take a larger part of earnings than if the debt were held in Canada.

Investors Eye Union Gas Co.

News of resumption of dividends on Union Gas Co. common stock saw that issue tacking on over a dollar a share in market value this week under heavy share volume. Although company officials hastened to warn that this did not represent a regular dividend policy, investors saw in the announcement the "turning point" in the company's long deteriorating gas supply situation.

Increased gas supply — assured by a 20-year contract with a U. S. supplying company — will enable the company to get back into the more profitable domestic heating market. Some 10,000 convertible gas burners in the Windsor area alone were shut off as a conversion measure in 1942. Government restrictions will be removed when the gas supply has been built up in the area. Officials anticipate a return of most of the old customers, and an increasing demand from new ones. Company sales and earnings improved in the fiscal year ended Mar. 31, 1947, an official informs The Financial Post.

A dividend of 20c. a share has been declared payable July 10, 1947. This is the first dividend since 20c. was paid June 15, 1942.

First delivery of natural gas from the American side has been delayed by the U. S. supplier, Panhandle Eastern Pipe Line Co. but the flow will be turned on within the next few days, a company official states. By swinging imported gas directly into the company's Windsor pipe lines for use in that area, reserves of Ontario natural gas may be built up for next winter's use.

Lack of essential steel for the 63 miles of 12-in. pipe line to the company's storage fields in Dawn township will likely prevent building up any sizeable reserves of U. S. gas this summer. Company officials had anticipated some concrete assurance of pipe supplies — in the face of the near emergency conditions which have developed in the area the last several winters — long before this date.

Consumers' Gas Output Up 6% For Eight Mos.

Consumers' Gas Co. of Toronto reports its output was up 6% in the first eight months of the current fiscal year, which started Oct. 1 last, over the similar period for the previous year. Its output for May, 1947 was 4½% above that for May, 1946, it is stated.

PACIFIC (EASTERN) GOLD has received payment from Quebec Gold Mining Corp. and Noranda Mines for 18,000 shares each at 50 cents. Issued capital is 2,282,968 shares.

Int. Paper Co. Net Profit Up

MONTREAL (Staff)—International Paper Co.'s first quarter net profit of $11.6 millions showed approximately 176% increase over the 1946 period. This resulted in earnings per share for the quarter of $3.21 on the common compared to $1.65 in 1946. Sales were up almost 60% at $96.9 millions ($61.1) but expenses rose approximately 34% to $66.3 millions ($49.5).

Speaking of first quarter earnings at the company's annual meeting, Chairman R. J. Cullen pointed out that while earnings were gratifying they were achieved under exceptionally favorable conditions. He added that wage costs for the balance of the year will go up. In addition, the company announced a price reduction in kraft liner board and corrugated containers. When this reduction was announced it was stated that the effect would be to lower sales revenues by more than $8.6 millions a year.

If estimates that sales for the full year will run around $380 millions are correct, it would leave the company with a net profit of about $37 millions, or roughly $10.60 per share, it is calculated.

Such estimates take into account the loss which will be sustained due to lowering of kraft prices, also increased newsprint price. This latter, however, will to some extent be used up by increased labor and wood costs, it is stated. As pointed out by Mr. Cullen, the first quarter earnings are no criterion as to what may reasonably be expected over the balance of the year.

It is calculated that from total sales of $380 millions, expenses of approximately $286 millions will be deducted. Taxes, interest, depreciation, etc., are estimated at roughly $57 millions, leaving profit at $37 millions.

One of Mr. Cullen's most significant remarks to shareholders was that it may be possible for the company to rid itself of interest-bearing debt this year. He added that such a policy would not jeopardize the present dividend policy; and said he believed that if the company's outstanding obligations could be cleaned up, its financial position would become unassailable.

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that the Six Percent Cumulative Preference Share Register of the Canadian Western Natural Gas, Light, Heat & Power Company, Limited, will be closed at the conclusion of business on Wednesday, the 18th day of June, A.D., 1947, and will remain closed until the close of business on Monday, the 30th day of June, A.D., 1947.

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Is Rising Interest Rate a Brake On Dangers of Price Inflation?

Discussing interest rates, Gilbert E. Jackson, consulting economist, made three suggestions for public consideration at the annual meeting of Dominion Mortgage & Investments Association last week. They were:

(1) In the past, the rise in the rate of interest, which as a result of natural causes has accompanied the great price inflations, may have been the natural, and the most powerful and effective, brake on these price inflations, preventing them from getting out of hand.

(2) If it is intended permanently to keep the rate of interest around its present level, it will involve creating credit on a great scale every time the rate of interest shows signs of rising.

(3) If the first suggestion is true, the brake on inflation has been removed deliberately by the cheap money policy.

Compares Interest Trends

As a basis for his suggestion that a rise in the rate of interest has acted as a brake on price inflations in the past, Mr. Jackson compared the movement of the index of British wholesale prices with the movement of the average rate of interest since 1782, but "smoothed" the two series by making an 11-year moving average of them. This record is shown in the accompanying chart. (The yield on British Consols is used as being the best illustration of the rate of pure interest).

This chart shows a striking parallel between the smoothed series representing interest rates and the smoothed series representing movement of prices up until 1940.

In recent years, for the first time, the relationship between prices and the rate of interest has been broken. Prices have been moving upward while interest rates have been deliberately depressed by treasuries and central banks.

Fell During World War II

"If the pattern of past movements had persisted, we might have expected the long-term rate of interest, which rose by nearly 1% during World War I, to rise by something more than 1% during World War II. Instead (and under powerful controls) it very definitely fell," Mr. Jackson stated.

Pointing out the effect of low interest rates, he said, "the victims are all holders of life insurance, all purchasers of annuities, and all investors, as distinguished from mere speculators."

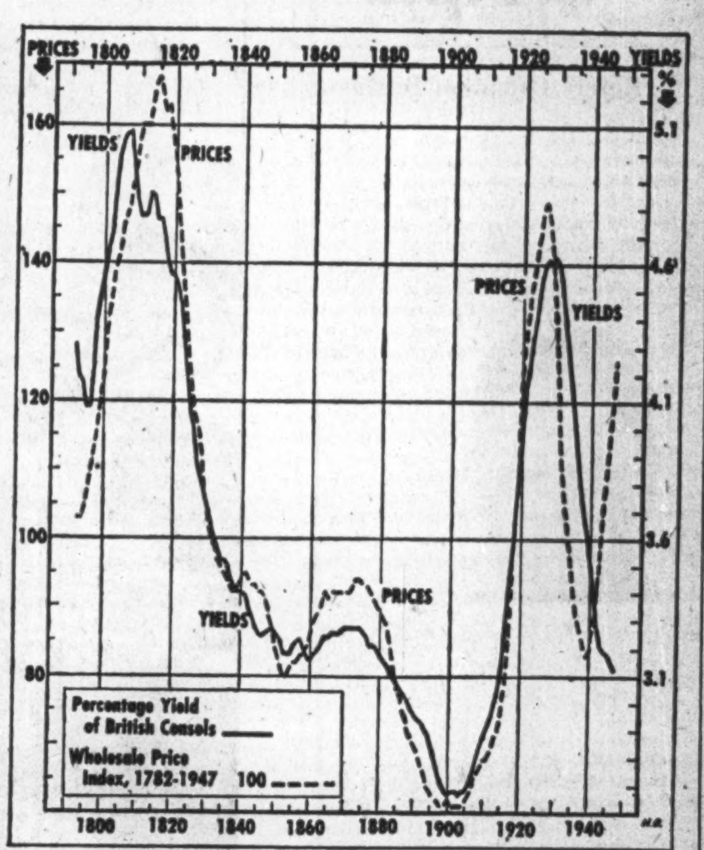
At one time an industrious citizen could save a small amount each week, let interest accumulate and in this way create a "nest-egg." Today this is much more difficult, Mr. Jackson pointed out, giving the following illustration:

"The Canadian who decided at the beginning of the 20th century to save $6 weekly, putting these dollars into bonds at 5% and accumulating interests, and who builds up his investment at this rate for 30 full years, would at the close of this period have accumulated almost $20,730—which sum, again invested in bonds, would have brought him in $20 weekly for life and enabled him as well to leave more than $20,000 to his heirs.

Income Rate Down 57%

"But the man who decided, after the deliberate lowering of the rate of interest to 3% per annum, to save $6 per week, putting these dollars into bonds at the new 3% rate of interest, would find that after 30 full years of thrift his nest egg would only be $14,850—nearly $6,000 less than that of his predecessor. Furthermore, when he invested this amount at 3% in the new bonds, he would receive only $8.60 per week instead of the $20 a week income of his predecessor."

Thus while the rate of interest is assumed to be reduced by 40% in the illustration, the rate of income of the thrifty person has been reduced by over 57%, Mr. Jackson pointed out.



Yield on the British consolidated debt (Consols) which has no maturity and for which there is a record for more than 150 years, is compared here with the movement of wholesale prices in Britain. Yield and prices follow the same trend until after 1940, when yield dropped and prices rose.

CPR net earnings of $1,734,871 for April, 1947 were up $532,284 over April, 1946. Gross earnings totalled $26,247,075 and working expenses $24,512,204. Net earnings for the first four months of 1947 were $3,010,386, resulting from gross earnings of $97,595,195 and working expenses of $94,584,809. Net earnings for the period were $2,469,564 lower than during the corresponding period in 1946.

Fleet Mfg. & Aircraft Ltd. Will Add Year-round Lines

By further diversification of products into new year-round lines, continuing reduction in overhead, and establishment of a produce-on-order system of output, Fleet Mfg. & Aircraft Ltd. operations are being put on a stronger basis, The Financial Post is informed.

From now on there will be no attempt to build up sizeable backlogs of CabinCars and airplanes; production will keep pace with immediate demand. In the next few weeks two new lines will likely be introduced to the market—one related to the building products industry and the other to refrigerator store equipment business. In addition the company anticipates substantial expansion into the jobbing business for other manufacturers.

Sales of CabinCars are going as well as had been anticipated in this country, officials say. Around 10 a day are being sold at present, it is stated. As of May 6, 1,124 had been manufactured and 902 delivered. A sizeable step-up in demand is anticipated when the warm weather returns. Sales have not gone as well in the United States to date although there has been a noticeable improvement recently. The earlier order for 10,000 CabinCars from an American dealer was found to be unsatisfactory and unworkable for a variety of reasons, with the result that the arrangement was terminated and the company now handles its U. S. sales through its own subsidiary, Fleet Mfg. Inc. The reduced volume of sales from the original forecast will not permit the company to overtake losses already incurred during the present fiscal year, it is stated.

In the airplane field, production has been curtailed temporarily because of an accumulation of planes resulting from overproduction last summer and autumn. Activity is now confined to repair servicing, shipping and accessories. Last fall was a bad season but 75 planes have been sold since September, of which 22 were for export to Argentina and Brazil. It is anticipated that accumulated stock will be sold out this season and then active manufacturing resumed.

Hydro Calls MLHP Bonds

MONTREAL (Staff) — Quebec Hydro Electric Commission last week made its expected announcement calling Montreal Light Heat & Power Consol. 3½% bonds. Call date for principal, accrued interest and premiums, if any, is July 1. Original amount of these bonds outstanding totalled $64,712,950. In January this year however, $604,100 principal amount was called, leaving $64,108,850 to be called at this time. Including interest and premiums, aggregate payable is reported $64,119,543.

No refunding issue is planned, it is stated. The previous redemption of $75.9 millions of Beauharnois bonds and notes held by MLH&P will provide sufficient funds for the proposed redemption, it is believed. A Quebec Hydro official told The Financial Post that redemption of these bonds illustrates the fallacy of the belief held by some individuals that Beauharnois bonds were ever a realizable asset to MLH&P as far as principal amount was concerned. His point was that the collateral strings attached to Beauharnois bonds virtually took them out of the "asset" category.

Once the 3½'s have been retired it will leave MLH&P (Quebec Hydro) funded debt at $13 millions, represented by 4% bonds due 1969. These become callable to the extent of sinking fund operations in 1956 and the first call date for the entire issue is 1960.

With more than $64 millions now going into investors' hands, stock brokers, investment houses and bond salesmen are taking a new lease on life. It is probable that investment men generally are hoping this amount of new money will have a stimulating effect on a presently mediocre market.

Canadian Cottons Head Denies Subsidy Aid

Montreal (Staff)—Canadian Cottons President E. C. Fox told shareholders at the annual meeting last week that he was looking forward to full freedom of action. The company, he said, would have done better in the last five years without subsidies than it did with them. He added that he was not complaining about the events of the past few years, however.

President Fox is referring to the 2½% and 2¾% $3 millions bond issue placed by the company last year, stated that it represented a standby reserve of cash. He pointed out that values are high now, and that no one knows what will happen in five or six years.

The company's report for the year ended Mar. 31, 1947 was approved and directors were re-elected.

Approval Given $1 Million Issue For Holt Renfrew

Montreal (Staff)—At a special meeting held last week shareholders of Holt Renfrew & Co. approved a by-law to permit directors to borrow up to $1 million by issue of bonds, debentures or other securities. It is understood such securities will be placed privately when issued.

As pointed out by president and managing director A. J. Walker in the 1946 annual report, Holt Renfrew's wholesale fur department and its subsidiary had substantial losses last year, due in part to the decline in fur values in the fall. In addition an account receivable of the company—Motty Eitingon, Inc.—ran into financial difficulties. This meant almost a $2 million loss to Holt Renfrew as a result of writing down the account from $2.4 millions to $499,172.

Current assets of the company as at Jan. 31, 1947 stood at $3.5 millions, and current liabilities at $4.6 millions. In addition it was revealed that commitments in respect of new building and furnishings, aggregate approximately $300,000.

Transportation Bldg. Co Reorganization Okayed

Montreal (Staff)—Capital reorganization of the Transportation Building Co. (The Financial Post May 24) was approved last week by holders of the company's bond, debenture, preferred and common stockholders. At the same time, bondholders appointed two individuals to sit on the board of directors. Eight class A shares are being issued to the two persons selected for the total amount of $2 for voting privileges.

Represented at the meeting were 57 holders of a par value of $390,000 out of the total of $575,200 7% bonds outstanding. Total claim of those represented, including interest due, is $412,122. Application is being made for formal approval of the proceedings and supplementary letters patent.

The board of directors now consists of: C. J. C. Molson, president; D. R. Logan, vice-president; Arthur Browning, Arnold Wainwright, Alan C. Simpson, W. W. Robinson, Leopold A. Renaud. The vacancy created by the death of R. S. Logan will be filled later, it is stated.

Jamaica Public Service operating revenues for March were up 11% at $166,887 over the same month last year. Net income was up 7% at $30,116.

U. S. Directors Add New Blood To Dosco's Bd.

Hear C. G. Terry, R. J. Wysor, to Represent Rosenwald Interests

MONTREAL (Staff) — Observers here are studying last week's additions to Dominion Steel & Coal Co.'s directorate, represented by Charles G. Terry, New York and R. J. Wysor, Cleveland, who were appointed to the board of Dosco's subsidiary, Dominion Coal Co., as well as to the parent company. It is rumored that another director may be added, at a later date.

The appointments appear to be the culmination of purchases of Dosco common stock by U. S. interests during the past year. (The Financial Post, March 1.) The Post is now informed that the largest single block of Dosco stock is held by interests closely associated with W. Rosenwald, New York financier and businessman. It is understood the new directors will represent Rosenwald interest on Dosco's board. It is stated that "not less than 15%" of the 1,039,083 outstanding common class "B" shares are now held by Rosenwald interests. Those who have examined the shareholders list, however, say it is difficult to trace actual ownership, since substantial blocks are held in brokers' names.

Interest May Be Active

It is claimed that New York interest in Dosco is purely investment interest. Observers point out, however, that with two directors on the board, "investment interest" in this case means an active interest. Mr. Terry is a director of Colorado Fuel & Iron Corp. (also president of American Securities Corp. and a director of Marion Steel & Shovel Co. and the Security Bank Note Co.) and Mr. Wysor is at present metals consultant to the U. S. State Department and consultant for Republic Steel Corp.

One of the shareholders in the company claims to have assisted in the recent Dosco operation. He is H. A. Goldman, Montreal, chairman of the Shareholders Protective Committee. Mr. Goldman told The Post that he believes it was largely the result of his letters to shareholders that the Rosenwald interests first looked at the investment possibilities of Dosco class "B." Goldman's first letter to shareholders went out Oct. 15, 1945, and was followed by others in January, March and July, 1946.

Five Points Cleared Up

In his letter of March 28, 1946, Goldman outlined five points in which he contended Dosco management could improve its position by: (1) Strengthening the management and board of directors by inclusion of capable and experienced engineers on the board; (2) Clearing up the "mysteries" of Dosco; (3) Immediate declaration of a substantial interim dividend; (4) Placing the stock on a regular dividend-paying basis; (5) Securing for Dosco shareholders the same rights enjoyed by shareholders of other companies in Canada.

Goldman tells The Post that he is pleased to note that these points have now been cleared up. Experienced engineers are on the board (Wysor); no "mysteries" left; a dividend has been declared; stock is on a regular paying basis; Dosco shareholders can now examine the shareholders' list.

TRANS CANADA AIR LINES carried 37,496 passengers in April (32,556 in March.) Airmail was down from 211,444 lb. in March to 209,330. Air express was up from 110,040 lb. to 131,058.

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Of Interest to Montreal Power Bondholders

The Quebec Hydro-Electric Commission recently announced its intention to redeem the following issues of First Mortgage and Collateral Trust Sinking Fund Bonds of Montreal Power on July 1, 1947.

Coupon Rate	Maturity	Redemption Price
3¼%	February 1, 1956	101.25
3¼%	May 15, 1960	102.25
3¼%	July 1, 1961	102.25
3¼%	January 1, 1963	103.00
3¼%	January 1, 1973	100.00

In each case interest will cease to accrue after July 1, 1947.

Holders of these issues are cordially invited to discuss with us the reinvestment of the proceeds in government bonds or established industrial securities. Our representatives will be glad to help you select those which best fulfil your investment requirements. Appointments arranged at your convenience and without obligation.

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Not All Lost Yet

No one with even the vaguest knowledge of farming will pretend that all is well with the crops this season. But to conclude that all is lost would be even more absurd.

True, over a wide area of Canada the weather has been abnormally backward, with spring grain seeding in some areas delayed perilously late. In central Canada there has been far too much rain and far too much cold. But the pessimist should remember that this is a big country, with many different climates and a great many different crops. Moreover, while late seeding is generally regarded as increasing the chances against a bumper grain crop, nevertheless there have been cases of unusually large yields under such a condition.

The main point to keep in mind, however, is that Canada is so big and farm production so diversified that anything like a complete failure is practically impossible. Only in the very early pioneer days, when the cultivated acreage of the country was but a fraction of what it is now, and crops, machinery and farm knowledge were extremely limited, was there much danger of no production.

Certainly in some local areas where there have been floods and frosts as well as too much rain, the outlook now is far from favorable, but even in these areas something will almost surely be produced. When the season gets too late for sowing the regular grains, emergency crops like corn, roots, buckwheat or something else will be planted. And it should be remembered that the same wet weather that prevents the sowing of grain is favoring other lines. Grass and clover are an example and these are the raw materials for dairy and beef production next winter.

With canning crops, which are very important in Southern Ontario and Quebec the picture is mixed. Prospects for early lines like peas and green vegetables are certainly not bright. Planting is far behind schedule and unless the balance of the season is extremely favorable, production is bound to suffer. On the other hand, early fruits like strawberries, raspberries and currants have benefited from heavy moisture and big crops are in the making.

So far as the major field crops are concerned, wheat and coarse grains, there is no reason yet to despair of good production in western Canada, and it is there that the great proportion of these crops are produced. With favorable weather from now on big yields are still possible in the Prairie Provinces and fair production in central and eastern Canada.

Much will depend on what happens during the next six weeks. Sunshine and warmth could bring on growth amazingly fast and with better machinery than they ever had before, Canadian farmers can be depended upon to take quick advantage of any break. Certainly they will not allow much ground to lie idle. Something will be sown although it may be too late in certain areas for the regular crops.

Before we decide that we are all going to starve next winter, it would be better to wait a few weeks and then have a look at all Canada, not just one drowned-out corner.

All Are War Industries Now

A couple of years ago when every allied spokesman had his own pet ideas on how to remove the sting from Germany, one plan would have reduced that country to an agricultural nation. The factories would be destroyed, and with them, the war-making ability.

This suggestion met fairly wide public favor until it was realized that no nation can farm without factories and least of all in the way Germany would have to farm if she hoped to feed her big population. There would have to be big foundries and machine shops to turn out farm implements, chemical plants to turn out fertilizer. And, of course, there were some other difficulties too, such as the disposal of the millions of workers in the highly industrial Ruhr.

The idea was abandoned but just as impractical ones are still clogging our peacemaking machinery. Whaley-Eaton reports that urgently needed food and other industrial production is being hampered because many plants are banned from operation in Germany. These are the ones classed as war producers and among others, include most of the fertilizer works. Now without chemical fertilizer, there can be nothing like full production from Germany's none-too-rich soil.

Of course chemical fertilizer plants can and do turn out explosives during a war but there are scores of others that are also such dual producers. In fact every industry, and nearly every factory is a potential producer for modern war. If we continue to suppress all those that could be so used, then as former U. S. President Hoover reported on his return from Germany this spring, "we will create sooner or later a cesspool of unemployment in Europe which is bound to infect her neighbors. We can keep Germany in these economic chains but it will also keep Europe in rags."

In the old days before Napoleon, it was a comparatively simple thing to distinguish between war and peace industries. Today it just can't be done, and if we ban all potential producers we are going to ban practically all industry.

There is little hope now, and less as we look into the future, of removing all the means of war. The only real hope of peace is to remove the causes of war.

They Have Short Memories

The National Commander of the American Legion urges that the United States government suspend all immigration immediately and for at least a year. He trots out the old shopworn arguments that immigrants are robbing the veteran of job opportunities; are "undermining the very foundations of our American way of life."

Long on politics and often short on foreign service, the men who are running the potent American Legion seem to have conveniently brief memories.

They forget that a few generations back all Americans were immigrants; that the American way of life and American prosperity were built by immigrants; that some of the best years their country ever enjoyed were those when the tide of immigration was highest. They forget, too, that much of the present world trouble traces to the fact that far too many people are crowded into a small area in Europe and that there can be little hope of permanent peace until we on this continent offer to share our space and opportunities.

That's something some Canadians need to realize, too.

Executives Unfortunate

Radio's Fred Allen has defined an executive as a man who arrives at the office in the morning to find a molehill on his desk. His job, says Allen, is to make it into a mountain by closing time.

Some executives pretend they don't really care whether anybody loves them. Some talk about how much work they do; others, about how little.

To keep Post readers fully up to date on literature concerning the executive species, its life and habits, we reproduce the following from Tide magazine:

"Executives are a fortunate lot. For as everybody knows, an executive has nothing to do. That is, except:

"To decide what is to be done; to tell somebody to do it; to listen to reasons why it should not be done, why it should be done by somebody else, or why it should be done in a different way, and to prepare arguments in rebuttal that shall be convincing and conclusive—

"To follow up and see if the thing has been done; to discover that it has not been done; to enquire why it has not been done; to listen to excuses from the person who should have done it and did not do it; and to think up arguments to overcome the excuses—

"To follow up a second time to see if the thing has been done; to discover that it has been done but done incorrectly; to point out how it should have been done; to conclude that as long as it has been done, it may as well be left as it is; to wonder if it is not time to get rid of a person who cannot do a thing correctly; to reflect that the person in fault has a wife and seven children, and that certainly no other executive in the world would put up with him for a moment; and that, in all probability, any successor would be just as bad or worse—

"To consider how much simpler and better the thing would have been done had he done it himself in the first place; to reflect sadly that if he had done it himself he would have been able to do it right in 20 minutes, but that as things turned out he himself spent two days trying to find out why . . . it had taken somebody else three weeks to do it wrong; but to realize that such an idea would have had a highly demoralizing effect in the organization, because it would strike at the very foundation of the belief of all employees that an executive has really nothing to do."

A Useful Trip

As usual there have been some who criticize Premier Drew's recent trip to Europe as a joy-ride. That term would seem singularly out of place to describe a 19-day journey that involved flying the Atlantic twice and visiting some five different countries.

Actually, however, such trips can be of very real value in encouraging immigrants and British industry to come to Ontario.

In seeking information at first hand, Ontario's Drew is performing a proper function of government. Premiers of other provinces would serve their people well by doing likewise.

Friends Shouldn't Need Visas

Washington is understood to have turned down Foreign Secretary Bevin's suggestion that Britain and the United States abolish visas. That is a pity.

There is nothing like visting back and forth between two countries to improve general relations and these visas and other border crossing regulations are a distinct handicap. There could never have been anything like the present friendly feeling between Canada and the United States and the utter impossibility of war, had not the frontier between those countries remained open for so many years.

One of the reasons suggested by American observers for turning down the Bevin proposal was concern lest the Soviet Union might interpret such a move as "tightening of western bloc affinities between the two bastions of the English-speaking world." The United States, it is said, has to be very careful with its visa policy in this respect.

Surely that is an overly sensitive and narrow view. The difficulty, if there is any, could have been easily overcome by offering the same sort of an agreement to Moscow. If the Russians did not want to come or were not allowed to visit the United States or other countries that would be their misfortune. In any case Mr. Bevin has already negotiated an agreement with France to drop visas and nothing sinister has been seen in that move.

Blunt-speaking Arthur Bevin once described his foreign policy as one designed to permit him or anyone else to go to London's Victoria Station, and buy a ticket to anywhere in the world and go there. And that would be a pretty sound policy too. It is to be hoped that he continues to push it.

Reports Should Tell More

Does the average corporation tell the truth about its profits. Only 41% of the general public think they do, and 45% think they don't.

Such is the result of a survey made by Opinions Research Corporation, as reported in Business Week.

The auditor's certificate usually carries weight with businessmen, but only 7% of the public queried paid any attention to it. A company's reputation as a "reliable concern" was the most powerful influence inspiring confidence. Almost one third mentioned it.

Most of the suspicion and uncertainty, apparently, sprang from lack of understanding. What the public did not understand it tended to cover with a blanket of disbelief. Too many words and too big words disturbed 56%. Too many figures had the same effect. Forty-five per cent weren't clear on the meaning of "earned surplus." Liability and assets were better understood, but even these words confused 21% and 22%. "Reserve for contingencies" was too much for 41%, while almost half bogged down on "accrued taxes."

Strangely enough it wasn't "low wages" that influenced their thinking but high prices. Fifty-four per cent of those who thought business was taking too much profit, gave high prices as the reason for their opinion and only 10% mentioned low wages.

Post Scripts

Enters Canadian Business

When the rival factions in the recent St. Lawrence Corp. proxy fight composed their differences Canadian business had a chance to welcome a new executive to its ranks. He is Hon. David Van Alstyne, Jr., New Jersey State Senator, and senior partner in the New York firm of Van Alstyne, Noel & Co. He has been elected a director and chairman of the St. Lawrence board.

MR. VAN ALSTYNE, JR.

Short, heavy-set Senator Van Alstyne was born in Kentucky but has lived most of his lifetime in New Jersey. He has been active in New Jersey state politics for many years and was first elected to the state Senate in 1943. In 1945 he was selected a member of a commission designed to streamline the tax regulations. More recently he was named chairman of the powerful Appropriations Committee.

In addition to his political activities Van Alstyne finds time to sit on the boards of nine American corporations including Continental Motors, American Phenolic Corp., United Piece Dyeworks Co. and others. While he has had wide experience in business he says that he is prepared to learn much about pulp and paper operations from his Canadian co-directors.

During World War I Van Alstyne could not wait for United States to come in and joined the French Army. He was a lieutenant when peace came. He thinks his liking for action may be attributed to his Dutch forbears who pushed across the Atlantic in the wake of the Mayflower.

Van Alstyne, who is 50 but looks a well-preserved 40, is married to the former Janet Graham and has three daughters and a son. His home is Englewood, N.J., but spends his summers at Port o'Woods, L.I. He is a member of the Downtown Association of New York, Downtown Athletic Club, Knickerbocker Country Club and the Bond Club of New York. He is a rotarian and attends the Presbyterian Church.

• • •

New IAA President

New president of the Industrial Advertisers Association of Ontario is James Totton, of the International Nickel Co. of Canada. At the recent annual meeting of the Association Totton was moved up from vice-president.

Industrial Advertisers Association of Ontario originated with a group of seven advertisers in 1932 who felt there was need for an organization where advertisers primarily interested in industrial products advertising and merchandising could discuss their problems and secure speakers on various aspects of industrial promotion. The club grew, and in 1937 I.A.A.O. was organized as a chapter of National Industrial Advertisers Association with headquarters in Chicago. The present membership of the Ontario Chapter is 71.

MR. TOTTON

Of medium build, with reddish hair and a ready smile, Totton is credited with being an excellent organizer but rather reticent about disclosing personal details. He was born the year the first Great War broke out at Stirling, Ontario which is a few miles north of Belleville, where he also lived some years before moving to Toronto. His first job was with the American News Co., but in 1934 he joined Inco, doing clerical and secretarial work before being attached to the advertising department, where he has remained. In addition to working on the main advertising for the company he spends considerable time on external house organs and sales statistics.

James Totton is married and claims his main hobby these days is chasing a ball and playing tag with his 21-month's-old-son, Robert Blake, in one of North Toronto's parks. He does get in the occasional fishing trip and golf game, with a score somewhere around 100% higher than par.

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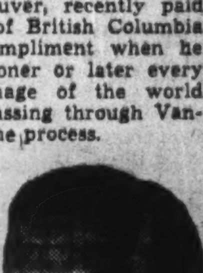
Your Host in Victoria

Senator G. G. McGeer, who is mayor of Vancouver, recently paid the capital city of British Columbia a left-handed compliment when he observed that sooner or later every important personage of the world visits Victoria, passing through Vancouver twice in the process.



MR. HODGES

The remarks of the irrepressible senator were made in the Empress Hotel under the benevolent eye of Manager J. K. Hodges, who could have prompted him a little farther to add that the resting place of the steady flow of visiting celebrities was usually at the tradition-steeped CPR hotel, second largest of the chain.

Americans, particularly, find the atmosphere of Old England and the beautiful gardens irresistible. In his 19 years at the Empress, Hodges has seen many return time and again and bring back their friends.

At present, the position as host at the ivy-covered, rambling structure comes under the classification of headache, with the postwar boom sending along more visitors than the traffic can bear. Included in the weekly listings are statesmen, politicians, the principal figures of Hollywood, and businessmen of many countries.

The hotel was first opened to the public in January of 1908 with one building consisting of 160 rooms. First addition was in 1910 when a north wing with 74 rooms was added. January, 1913, saw a south wing added with 100 rooms, and 288 rooms in 1929 through a new north wing.

Mr. Hodges, manager since 1931 and now 60 years of age, joined the CPR in 1914 with the Sleeping and Dining Car Dept., Montreal. After military service from 1915 to 1919, including service in France, he returned to the CPR as chief clerk in his old department. Transferring to the hotel department, he was appointed assistant manager of the Palliser Hotel, Calgary. In 1920, he came to the Empress as assistant manager.

Amateur photography, at which Hodges excels, and stamp collecting, are hobbies of the affable manager which he hopes to further in a few years when retirement time rolls around.

The program at the hotel this year, in addition to record demands by guests, has a heavy convention schedule.

Stop Me If—

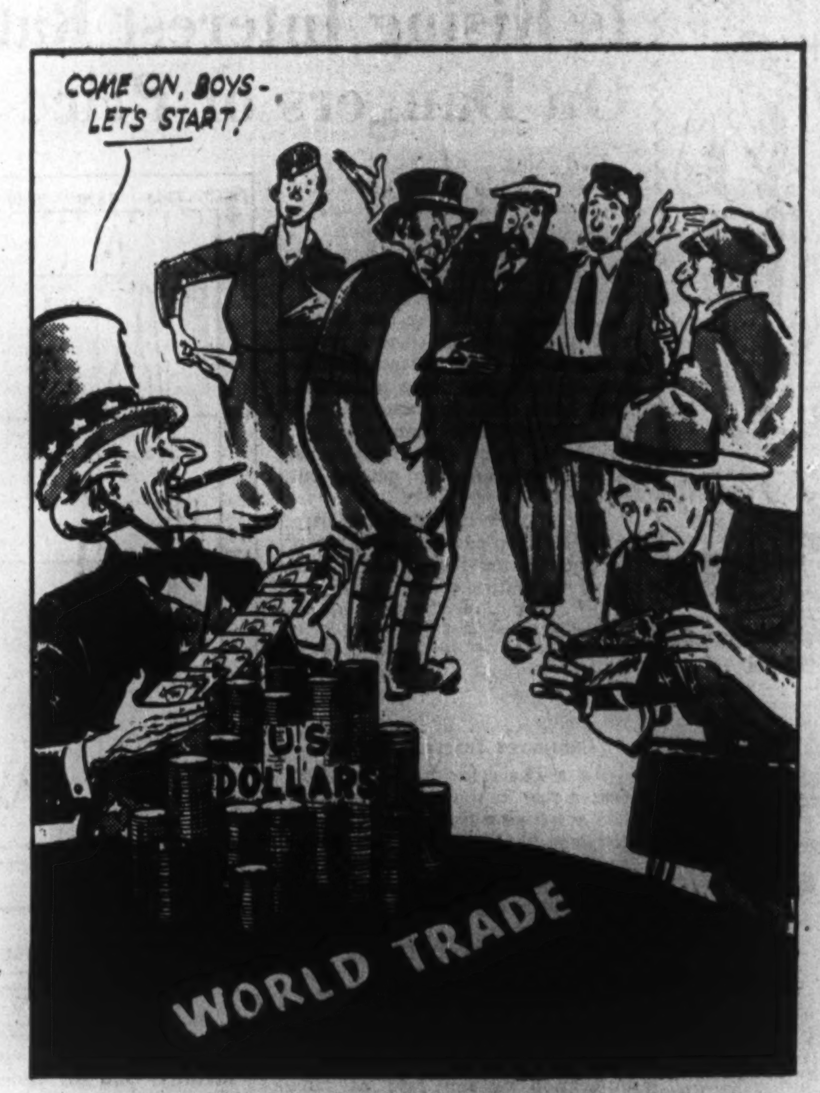
"Theodore, what do you have to do when you draw some money out of a bank?" asked an innocent young wife.

"You have to put some money in the bank beforehand," replied the husband. "That's always been my experience."

• • •

"Glasses definitely help to cure that tired feeling," declares an oculist.

The trouble being, of course, that most people can't afford to keep filling them.



—Cartoon by Grassick.

"They can't play without some chips, Mr. Banker."

Newfoundland—Key to North Atlantic Defense

Interests of Canada, United States and Britain All Converge There

The strategic importance of Newfoundland is discussed in this summary of a section of the book "Newfoundland—Economic, Diplomatic and Strategic Studies," edited by R. A. MacKay, professor of Political Science at Dalhousie University, and issued under the auspices of the Royal Institute of International Affairs.

Since discovery, the fate of Newfoundland has been at stake in every major naval war in the Atlantic.

With the German navy at the bottom of Scapa Flow at the close of the (1914-18) war, Britain seemed to have regained her old position as mistress of the seas. Newfoundland slipped back into its old strategic position of a remote island in a safe and secure North Atlantic. But the situation was deceptive. It is now obvious in retrospect that technological changes were weakening British hegemony of the North Atlantic.

DR. MACKAY

In 1939 the world order established at Versailles collapsed like a house of cards. North America had now to improvise hastily a second line of defence (1940). Were Newfoundland to fall into the hands of an enemy, all eastern Canada and Northeastern United States would be open to air attack, but fortified and in friendly hands, it would be not only an outer bastion but a bridgehead as well in the impending battle for control of the Atlantic.

At the moment, Newfoundland was perhaps the weakest section of the continent's second line of defense: it was without arms or trained troops of its own to cover its vital points; its great new airport, then one of the world's largest, was a possible prize for invasion by air; it had no ships to patrol its many bays and fiords which were convenient hide-outs for submarines.

In the weeks following the collapse in Europe, three major steps for the defence of North America concerned Newfoundland. The Canadian prime Minister announced Canada had assumed responsibility for the defence of Newfoundland, presumably with the approval of the United Kingdom and Newfoundland. The U. S. and Canada agreed to establish a permanent joint board on defence "to study" the problems of defence of "the Northern half of the Western Hemisphere," which obviously included Newfoundland. Great Britain granted the U. S. on 99-year leases a string of bases from Trinidad to Newfoundland.

There can be little doubt that the strengthening of Newfoundland's defences marked a turning-point in the late war. Newfoundland was North America's forefront in the Battle of the Atlantic, Argentia proved a major base enabling the U. S. navy to exercise strategic control of the Western Atlantic. St. John's was of no less importance as an advance base for Canadian convoy escort forces and repair. From Torbay and Gander, the RCAF could provide air coverage of convoys far over the Atlantic to points where planes from the Azores or Iceland could take over. Through Goose and Gander flowed a swelling stream of ferry traffic to Britain.

Whatever the shape of the post-war world, it is a safe prediction that Newfoundland will occupy therein a place of great strategic importance. So long as naval war was confined to surface operations, the North Atlantic could be made secure by British naval control of the western approaches to Northern Europe and the gates of Gibraltar, but now that the war at sea has become a war of three dimensions, the North Atlantic can only be made secure by appropriate defences at north ends of North Atlantic routes.

In the postwar period, Newfoundlanders can scarcely expect to be left to man their defences alone. The 99-year leases secured by the United States are ample evidence that it regards its Newfoundland bases as permanent fixtures in its scheme of offshore defences of the continent.

(However) the time-lag both in 1914 and 1939 between the outbreak of war and the decision of the U. S. to intervene by military force cannot be forgotten in the defence policies of member-states of the British Commonwealth. It would thus seem unlikely that Canada or the United Kingdom would be prepared in the postwar era to leave the defence of Newfoundland exclusively to the U. S., since to do so might prevent the use in a crisis by Canada and the United Kingdom of bases in Newfoundland. Nor would the people of Newfoundland be likely to welcome such a development lest it limit their capacity to aid the United Kingdom.

Admittedly, it is contrary to the traditional view of sovereignty for one state to possess defense rights within the territory of another, especially in time of peace. But small states have had bitter object lessons these past years of the futility of independent defence, as witness Norway, Denmark, the Netherlands, Belgium. The Second Great War has compelled a revision of the concept of sovereignty no less than of military ideas.

What Others Are Saying

Editorial of the Week

An Immigration Failure

Montreal Standard

In the return of the Canadian Yugoslavs to their original homeland there is a pointed lesson for this country. For, all other considerations aside, it is obvious that after we accepted these people as immigrants we failed to make them real Canadians.

This blind spot in our thinking about immigration still remains to a large extent. We allow people to come from Europe because we need them for specific purposes; as farmhands, as bushworkers, as miners. What we should really be considering is whether they will be able to fit into Canadian life, to be assimilated, to transfer their allegiance to this nation.

Once we bring immigrants here we give them little opportunity on this score. There is no proper citizenship training, very little suitable adult education. This is not so surprising when we consider how patchy our own citizenship training is and how much it is neglected in our schools.

It is to be hoped, now that we have a Citizenship Act, that these defects will be remedied. It is natural that immigrants and their families should feel a close tie to the land of their origin but it is also true that a new and stronger allegiance can be built up in the country of adoption.

Other People's Views

WE CAN GET ALONG without the help of Communists either at home or abroad, observes the **Montreal Star.** "If, in the international field, we are moving toward a position in which we can get along without Russia, here at home we can very well do without the disloyal and destructive assistance of the Communist Party."

FEUDAL STYLE IMMIGRATION is the way the **Vancouver News-Herald** describes the recent importation of Polish girls for textile work. "If Canada is to remain a free enterprise country, as our politicians boast, then our new citizens, once legally in Canada, must go out on their own, find their own way. They may be helped, of course, by the older-established citizens. If we have a group of immigrants here, another there, all under private auspices, and unable to work where they please, we cannot possibly turn our badly needed new population into free and independent Canadians."

WE MAY BE ENTERING A WET CYCLE but the **Lethbridge Herald** is keeping its fingers crossed. "Forty years ago, in 1906-1909 inclusive, South Alberta had a wet cycle. There have been others, but if there is anything in the 40-year cycle claim we may have wet years until the end of 1949. Then watch out! The year 1910 was one of the driest on record in South Alberta—the first time the new settlers of that time had experienced a drought, and it was most disturbing. So we'll be waiting to see if 1950 is dry. If it turns out that way we'll be inclined to put faith in this 40-year cycle business."

SHORTAGE OF COUNTRY DOCTORS is feared by the **Observer-Standard** (Pembroke, Ont.), unless more youths from the country attend university. "Fifty years ago and more, the leading men in professional life in the cities came from the country. The city youth of that day were not interested in higher education, nor indeed in spending the years required, which were necessary for them to be lawyers or doctors. Today the pro rata of physicians for the cities is larger than in the country, and this will continue if we cannot induce more young men from the country to take this course."

BUTTER PRODUCERS must prepare to meet the competition of oleomargarine, warns the **Advocate (Red Deer, Alta.)** "Under normal conditions of supply it is probable that margarine, with as good a fat content as butter, could be made in Canada and sold at less than 30c. a pound. The spread between this figure and the present butter price is more than the industrial consumer in eastern Canada will bear without protest. Legilation to permit the manufacture of margarine was introduced into the Senate during the present session of parliament and while it was voted down this time, as it has been before, it is certain to be introduced again and eventually it probably will be passed."

The Financial Post

Member Audit Bureau of Circulations
Member Business Newspapers Association of Canada

A weekly newspaper presenting in a popular manner reliable information respecting investments, business and national affairs in Canada.

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Subscription Terms: Single copies, 15 cents. Yearly: in Canada, United States, Mexico and British Empire, $5; all other countries, $6.

Advertising Rates: Single insertion, $4.90 per inch. Contract terms upon request.

Authorized as second-class mail, Post Office Department, Ottawa.

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Printed and Published by
MACLEAN-HUNTER
Publishing Company Limited
481 University Avenue, Toronto 2

JOHN BAYNE MACLEAN, Founder and Chairman
HORACE T. HUNTER, President
FLOYD S. CHALMERS, Executive Vice-President
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The Provincial Roundup

British Columbia

To Study Atom

University of British Columbia foresaw itself one of Canada's leading centres of atomic and nuclear physics research, as the result of a $32,500 grant from Ottawa (out of a total $150,000 federal appropriation). Installation was planned of a horizontal Van de Graaf generator, capable of developing 25 million volts. The apparatus performs roughly the same operation as the famed cyclotron, which unlocked the secrets which led to creation of the first atomic bomb.

Particles, generally the hydrogen ion, leave the tube of the accelerator at immense speeds; when directed at a target, alter or split atoms.

Extend Garage Hours: Vancouver service stations won the right to operate 24-hours a day, as Chief Justice Farris ruled invalid, a civic by-law, requiring closing between 7 p.m. and 7 a.m.; the grounds: night-travelling motorists were entitled to service. A. D. Caddell, protesting a conviction under the ordinance, stated that although more than 75% of gas station operators had originally petitioned for it, many had later taken advantage of a loophole, which exempted stations with storage space for 25 or more cars.

Capital's Taxes at Peak: Despite intensive pruning, Victoria's tax rate jumped three-and-one-half mills, to a record high of 45½ mills. In a series of "economy sessions," City Council pared $3,330,954 estimates by $349,000.

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Alberta

Exeunt Independents

Alberta's Independent group had had it. After seven years' labor in the vineyard, attempting to redeem the province from Social Credit, John Percy Page, veteran teacher and basketball coach, announced dissolution of his movement, and cancellation of a convention scheduled for June 16. Page saw "absolutely no hope" of a coalition of Liberals, Progressive Conservatives and independents, similar to those now operating in Manitoba and British Columbia. Independents elected 19 members in 1940, only three in 1944. Liberals were to meet later this month, to organize for the next campaign.

New Airport Hotel: A $300,000 hotel of 50 or 60 rooms, was on the horizon near the administration building at Edmonton's municipal airport. City Council agreed in principle to a 99-year lease on the land required, to Inland Investments Ltd., which offered to pay the equivalent of city taxation, as ground rental. Airport Manager James Bell said such accommodation was needed, to handle increasing passenger traffic.

Probate Own Will?: The Province planned to protect dependent heirs, left without "adequate maintenance" by a testator, Attorney-General Maynard promised the Alberta Law Association, forecasting a measure which would be "a compromise between the general legislation now prevailing in B. C., and the modified legislation of England," but which would not "disregard the personal wishes of the testator." S. H. Helman of Calgary voiced what he termed a "revolutionary" suggestion, that a testator be permitted to submit his will to the courts for probate during his lifetime, to establish its validity.

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Saskatchewan

Unite Against CCF

Old line parties were finding it easier to make common cause against the CCF here, than against Social Credit in Alberta (see ALBERTA section). The United Front movement spread to Melfort, where Liberals and Progressive Conservatives pledged themselves to support the same candidate in the next provincial election, as Saskatoon, Regina and Prince Albert had done earlier. (Six CCF-ers, including four cabinet ministers, now represent the four constituencies.) Simultaneously, Social Crediters announced plans to contest all 52 seats in the next Saskatchewan election.

Hospitalization Storm: Branding the province's hospitalization scheme "hasty, ill-conceived, rushed into operation without any consideration of the problems involved," C. W. Garth, director of tabulation for the hospital planning commission, resigned. "An untrue statement, apparently made in a fit of temper when an administrative adjustment resulted in his being offered a position of lesser importance" Premier Douglas retorted. As proof that the plan is working satisfactorily, he cited: "Since Jan. 1, some 47,000 persons have been hospitalized, and over 2 millions has been paid in hospital accounts."

Deny "Dumping" Vegetables: "Exploiting jail labor" charged Peter De Vocht, Indian Head produce gardener, alleging the Government had "dumped" turnips, onions and carrots grown at Regina jail, on the market at below prevailing prices. Public Works Deputy Minister David Webster replied that vegetables were grown at the jail, for use only in the institution. When a surplus occurred, this was usually shipped to the government home for the aged at Wolseley. "Occasionally" some vegetables were sold "through regular wholesale channels, at the price offered by wholesalers."

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Manitoba

Deadlock on Back Pay

The Government and the civil service were still deadlocked over proposed retroactive pay boosts. When Provincial Secretary Charles Greenlay offered "a wider interpretation" of previous offers, the service replied that each of the Government's two alternative plans, "would benefit one group of employees at the expense of the other." It suggested referring the question to Chief Justice E. K. Williams, or some other judicial arbiter. The province had granted pay boosts averaging $145 yearly to some 2,300 civil servants, retroactive to April 1, with "equitable" cash benefits for others, pensioned off since 1944 (The Financial Post, May 24).

To Fly Canoes: A new $40,000 all-metal plane, capable to carrying canoes and other bulky cargo to the northland, was ordered by the Government Air Service, for immediate deivery; for use in geological surveys, and also in forest fire prevention. The Air Service, established in 1932, and last year made a special branch of the Mines and Natural Resources Dept., now has a staff of 16, with headquarters at Lac du Bonnet, some 70 miles northeast of Winnipeg.

Vets Plan to Farm: Out of 8,282 exservicemen in Manitoba and Northwestern Ontario, who sought aid under the Veterans' Land Act, 47% planned to become full-time farmers, District Superintendent J. C. Fuller reported. Aid had already been extended to more than 2,000.

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Ontario

Crop Outlook Bad

Late May and early June rains threatened the province with one of the most disastrous crop years on record. With spring seeding still impossible in many sodden areas, farmers predicted a complete dearth of many vegetables, particularly tomatoes and peas. Grain crops might still be practicable, if the weather improved within the next week.

House to Resume: The legislature was to resume its session (adjourned from April) next week; with the Liberal opposition, under the leadership of Farquhar Oliver (The Financial Post, May 24) pledged to "drive Tory reaction out of Ontario." Rumors were heard that Premier Drew, newly home from a flight to England, might take up the challenge, and call an early election, on two main issues: provincial rights, and all-out stand against Communism.

U. K. Firms Eye Ontario: English industries are eager to locate branch plants in this province, Premier Drew reported on his return from overseas; said 200 firms had already applied to United Kingdom authorities for permission to do so, with more likely to follow suit. He also forecast an early migration of some 5,000 skilled workmen and farmers from the old land to Ontario; said more than 100,000 Britons want to settle here.

More For Hospitals: Government grants to hospitals would total $2,225,231 this year, an increase of 35% over 1946. Some institutions, under the new setup (based on percentage of public ward beds available and occupied, to total accommodation) would receive 150% of their last year's sum. The eight major "teaching" hospitals, which received substantial increases in 1946, would get slightly less ($811,856, in place of $813,758); but Hamilton General would draw $103,203, a jump of $64,343. The increases would help cut taxes in many municipalities which in the past had helped to make up hospital deficits.

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Quebec

"Expose Scandals"

Indications of a 1947 or 1948 provincial election multiplied, as Liberal Leader (and ex-premier) Adelard Godbout promised to lift the lid on "the many scandals of the present Union Nationale administration . . . we feel it our duty to inform the province of such disloyal actions." Godbout accused the Duplessis government of depriving Quebec of "scores of benefits, and of funds much needed today"; estimated a tax agreement with Ottawa would net the province $65 millions.

Backs Decentralization: Premier Maurice Duplessis' utterances to the Junior Chamber of Commerce of Canada, also, did not discount the possibility of an early election. Decentralization of authority, he reiterated, was the basis of "democracy and enduring prosperity." In no country of the world, he insisted, "is loyalty so much in the hearts of the people, as in Quebec . . . we want to centralize our love of Canada; we want to decentralize in the field of legislative and administrative powers."

Probe Horsemeat Sale: At least two tons of horsemeat weekly have been brought into Montreal in recent months, for illegal sale for human consumption, police and health authorities said, after arresting three men. They declared the meat, supposedly being processed for fox food, had found its way onto markets camouflaged as steak, fillets, sausages or other products.

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New Brunswick

Sees Freight Boomerang

Straight, across-the-board percentage increases in freight rates would not only injure industry in this province, but would prove a boomerang to the railways, through decreased shipments, Federal and Municipal Relations Minister Charles Hanford Blakeny, told the Board of Transport Commissioners. Other spokesmen warned that the requested 30% boost would doom most maritime industries to remain in the "depressed" category, unless some "extraordinary" impetus such as another war, developed.

Want Adequate Airport: Moncton City Council grew restive at alleged federal inaction on the Lakeburn airport, just outside the city. Earlier, Ottawa officials told of plans to make the field one of the most modern on the continent. Then officials of several international airlines came up with a warning that the Lakeburn runways would not be large enough to accommodate the planes they expected to have in service soon. Federal estimates disclosed no appropriation for extension of the runways. Transport department spokesmen held out hope that the project could be undertaken next year; but city councillors pressed for immediate action.

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Nova Scotia

"Pare Rail Cost to Bone"

The province "hasn't even begun" to negotiate details of its new tax agreement with Ottawa, Premier Angus Macdonald disclosed, as he opened his battle against increased freight rates. He challenged the railways to "pare your spending to the bone" before seeking across-the-board boosts, declaring these would have "an inflationary effect nationally," and more particularly on industrial and living costs in this province.

Settle 2,700 Vets: Almost 2,700 veterans of World War II have been established in the Maritimes under VLA, Superintendent Chas. H. Scott reported: 1,130 full-time farmers, 1,300 smallholders, 267 fishermen. Officials were "finding the greatest difficulty" in construction of homes within the $6,000 limit.

Fewer Farm Horses: Horses on Maritime farms were dwindling gradually, a federal survey revealed. As of December last, Nova Scotia had 34,600, a decrease of 1.1%; New Brunswick, 44,200, down 2.9%; Prince Edward Island 25,700, down 5.2%.

Big Turkey Year: The province's five turkey hatcheries reported capacity business, with new orders having to be turned down; expected to shatter last year's production record of 22,700 birds (a jump from 12,200 in 1943).

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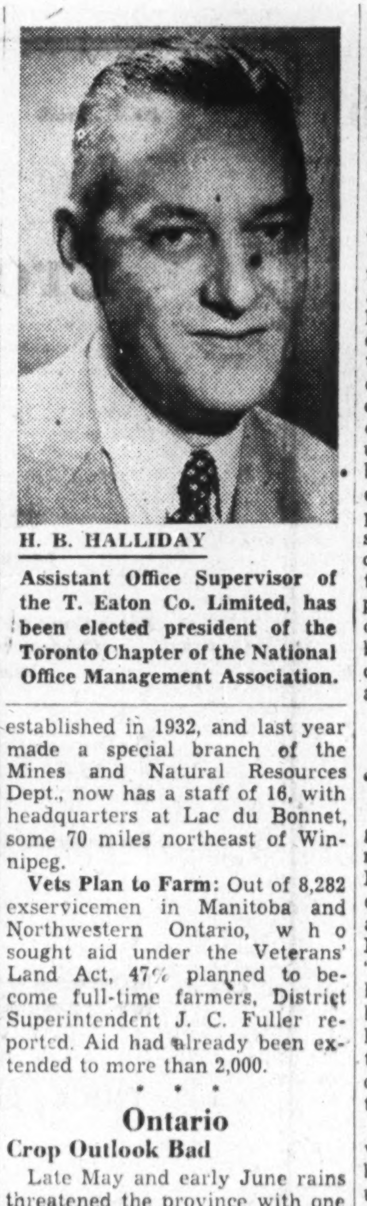
Prince Edward Island

Rate Boost "Disastrous"

Island spokesmen had the last inning in Maritime hearings on freight rates; said the railways' request for a 30% boost would be "disastrous" to the province's economy. Potato growers said such a jump would force them to resort to steamer shipments. The Co-operative Union feared it might prove a deathblow to that movement. Fish-processing executives said their industry, "its very existence now at stake," could not stand higher costs.

Potato Controls Off: All controls came off the Island's potato market, with completion of the United Kingdom contract (exports totalling 1,500 tons more than the 70,000 originally specified). Farmers were free now to get whatever price the traffic would bear, for the balance of their crop.

Renovate Ferry Terminal: Renovation of the ferry terminal at Borden was under way, with the Foundation Maritime Co. in charge of dredging operations. The project, to total several million dollars, also contemplated extension of piers farther out into Northumberland Strait, to help eliminate ice conditions.



H. B. HALLIDAY

Assistant Office Supervisor of the T. Eaton Co. Limited, has been elected president of the Toronto Chapter of the National Office Management Association.

C. F. W. BURNS

president of Burns Bros. & Denton Ltd., has been appointed a director of the Harry E. Foster Advertising Agencies.

A. G. SULLIVAN

has been appointed Secretary of The Foundation Co. of Canada.

BUSINESS THIS WEEK

	MAY	APR.	MAR.	FEB.	Year Ago
GOVERNMENT FINANCE (millions of $)					
•Dom. total revenue	....	177.8	....	....	156.2
•Dom. total expend.	....	135.7	....	....	129.9
MERCHANDISING					
Dept. store sales index no. (1)	....	232.8	239.8	189.7	213.3
Retail sales index (no.)	....	....	228.2	183.4	210.3
•Country store index (no.)	....	193.5	178.6	151.1	187.3
Wholesale sales index (no.)	....	....	256.5	231.7	234.0
FINANCE					
•Dividend payment index (5)	160.9	159.1	156.7	155.5	139.9
•Bank debits	....	....	226.9	229.4	224.6
•Money supply (millions $)	....	....	7,503	7,555	7,084
NEWSPRINT CAPACITY					
Production ratio	....	101.0	101.8	101.0	93.8
Shipment ratio	....	102.8	102.1	94.7	96.7
RAILWAY FREIGHT LOADINGS					
Tons (D.B.S.)	....	189.6	190.7	134.2	197.6
Cars (D.B.S. index)	....	158.5	151.9	130.9	143.9
COST OF LIVING					
D.B.S. index	....	130.6	128.9	127.8	120.8
EMPLOYMENT INDEX					
All industries	....	....	180.3	180.7	167.0
Manufacturing	....	....	194.5	193.9	182.6
Payrolls (June 1/41=100) (2)	....	....	162.9	160.7	137.6

RAILWAYS—(000's omitted)	1947	1946	1947 Jan. 1 to date	1946 Jan. 1 to date	% Change
•Carloadings (week May 24)	71.1	61.0	1,472.7	1,386.0	+6.4
•C.P.R. gross rev. (May 21)	6,098	4,975	115,378	108,830	+6.0
C.N.R. net rev. (Apr.)	3,777	4,385	9,255	11,762	—21.3
C.N.R. gross rev. (Apr.)	36,019	31,411	136,295	123,770	+10.1
•C.P.R. gross rev. (Apr.)	26,247	22,548	97,595	93,709	+4.0
•C.P.R. net rev. (Apr.)	1,735	1,203	3,010	5,480	—45.1
IRON AND STEEL (000's omitted) (Mar.)					
Pig iron production (tons)	164.4	142.2	492.3	327.9	+50.1
Steel production (tons)	269.7	249.1	748.8	727.6	+2.9
CONSTRUCTION (000's omitted)					
Contracts awarded (Feb.)	53,452	33,092	98,162	60,487	+62.3
Building permits (Feb.)	17,598	16,572	34,238	31,859	+7.4
•Cement prod., bbls. (Mar.)	883.1	704.4	3,462.1	2,091.7	+17.7
AGRICULTURE (000's omitted)					
•Flour prod., bbls., (Apr.)	2,399	2,217	9,443	8,996	+4.9
Flour exp., bbls. (Mar.)	1,356	1,042	3,966	3,317	+19.6
Wheat exp., bush. (Mar.)	7,983	15,385	30,282	40,481	—25.2
Cattle sales (Apr.) (4)	104.5	112.3	411.0	515.7	—20.3
Hog sales (Apr.) (4)	396.6	397.8	1,446.9	1,718.8	—15.8
SEA FISHERIES (000's omitted)					
Catch, lb. (Apr.)	27,483	34,111	172,877	160,747	+7.5
Landed value (Apr.) $	1,798	2,206	5,660	6,964	—18.8
NEWSPRINT (000's omitted)					
Production (Apr.)	369	338	1,453	1,309	+11.0
Exports, tons (Apr.)	376	348	1,414	1,270	+11.4
MINING AND OILS (000's omitted)					
•Coal prod., tons (Mar.)	954	1,588	2,693	5,037	—46.6
•Gold prod., (fine oz.) (Mar.)	263	248	719	715	+0.5
•Petroleum prod. (brl.) (Mar.)	602	664	1,734	1,954	—11.1
ELECTRICAL POWER OUTPUT (000,000 omitted) (March)					
Total monthly kw.h.	3,957	3,537	11,463	10,149	+8.1
FOREIGN TRADE (millions of $)					
Imports (Mar.)	208.9	139.9	559.8	397.3	+40.9
•Exports (Apr.)	190.9	178.5	788.0	699.1	+12.7
FINANCE (millions of $)					
•Bank debits (Apr.)	6,043	5,755	23,593	22,739	+4.0
Bond sales (Apr.)	660.3	577.7	2,140.8	2,170.9	—1.4
Life insurance sales (Mar.)	104.1	102.7	305.7	268.5	+18.9
OTHER INDUSTRIAL FACTORS (000,000's omitted)					
Shoe prod., pr. (Mar.)	3.5	4.0	9.9	10.9	—9.1
Cigarette cons. (no.) (Apr.)	1,178	1,049	4,848	4,612	+5.1

(1) Base period 1935-39=100.
(2) All industries.
•New items for week.
(4) Total at yards and plants.
(5) Nesbitt, Thomson, etc.
(6) d—deficit.

GOVERNMENT AND CORPORATION SECURITIES

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Study Incentive Plans In Industry, CMA Told

Action Urged to Develop Employer-Worker Co-operation — Foreign Trade Vital to Nation's Growth, Convention Told

From Our Own Correspondent

BANFF — Industrial relations and international trade relations are the two thoughts uppermost in the minds of the leaders of Canada's business and industry.

This was brought forcibly home this week as more than 550 members of the Canadian Manufacturers' Association and their wives met here in their 76th annual convention.

Surrounded by the majestic mountain peaks, still snow-capped and wreathed in clouds, members met in serious business sessions, played golf, swam in the pools; but hardly for a moment did they forget the pressing problems of Canada and their place in assisting their country's growth. Low worker productivity is one of the points being studied; and the special labor relations and production sessions went into every phase of this problem.

Said E. R. Complin, of Canadian Industries Limited, Montreal, chairman of the industrial relations committee of the C.M.A., "It is appreciated that in some industries and some companies within the industry, production is lower than circumstances warrant. Co-operation of the people is of major importance, and this gives rise to consideration of known methods of improving production with such devices as wage incentive schemes, profit-sharing and joint labor and management production committees."

Labor relations, members thought, amount to more than just dealing with one part of the staff. Every person in a business or industry from the executives down should realize the problems of the business and should strive toward the same ends.

Foreign Trade Essential

On foreign trade, members are equally emphatic. Without this trade Canada can't live, and there is a necessity for growth of this trade. This was expressed by the retiring president, Col. H. S. Tobin: "I wonder if it is realized that three out of every eight people in Canada depend for their livelihood directly on foreign trade. How can we expect to export our goods and to be paid for them at prices the other country cannot afford to pay? And how can we expect to hold the markets that we can win under the present conditions, when other countries recovering from the scars of war once more are prepared to undersell us?"

These are questions that the manufacturers discussed and the answers to them, which have probably been found in their business and informal meetings, will mean a great deal to the prosperity of the Dominion.

Members also paid close attention to the labor code and to the general principles set forth by the association during the past year and submitted to the Dominion Government.

B. C. Needs Stressed

Delegates for a full day heard speeches filled with praise of British Columbia and its potentialities. Speaker after speaker declared their province has everything but financial co-operation from the east.

High freight rates over the mountains were scored, as were high labor costs as compared with the rest of Canada. Despite this, though, the members from the west saw a vast industrial growth for this section of the Dominion if capital continues to flow from the east for development.

If it doesn't, though, warned T. M. Moran, senior vice-president of the B. C. Electric Railway Co., British Columbia might cast more than longing glances at the adjoining American states. He said: "The East should also realize that there is a physical, a geographical and economic and even a spiritual community of interests on this Pacific coast. There is the most intimate association between the inhabitants and business of British Columbia and those of Washington and Oregon. This association is developing rapidly and could have a bearing on the economy of British Columbia and Canada as a whole."

Vickers Profit Off 53% In '46 Parleys Soon

MONTREAL (Staff) — Financial statement of Canadian Vickers for year ending Feb. 28, 1947, discloses a net profit of $507,601 or 53% below the preceding year. This represents earnings per share on the preferred of $25.28 ($54.72) and on the common of $6.94 ($18.01). Included in the report is a notice calling the meeting of shareholders for June 18.

This substantial decline in net profits largely reflects the switch from war to peacetime operations. President J. E. Labelle states that during the year the company was engaged entirely on commercial orders. One item in the income account is a "subsidy income" of $105,000, paid by the Federal Government. From sources close to the company it is understood this may be reduced this year to around $50,000 or $75,000, in line with Ottawa's reported economy program.

Mr. Labelle states that the company has orders on hand sufficient to carry operations into 1948. Part of these, however, are orders on which work has been delayed due to production delays. Inventories are shown at $1.7 millions ($1.1 in 1946). Net value of work in progress including estimated profit is $408,228 ($673,651). Working capital is shown at $3.5 millions (5.5 millions).

As stated previously, it is not expected any plan for the reorganization of the capital structure of the company will be dealt with at the annual meeting. It is expected, however, that discussions between company and J. Arthur Larocque's Preferred Shareholders Protective Committee will start soon after. It is understood unofficial discussions have taken place during the past few weeks.

Mr. Larocque's position with respect to clearing up preferred stock and arrears is substantially the same as it was a month or two ago (The Financial Post, April 5), he tells The Post. He summarizes this position briefly by stating that his committee does not feel prepared to accept a tax liability on a "promissory note" (common stock). From this it is inferred that the preferred protective committee is not prepared to entertain a plan which involves payment of arrears by way of common stock.

Liability for Illegal Strikes Assumed by Edmonton Union

From Our Own Correspondent

EDMONTON — An agreement, believed to be the first of its kind ever negotiated, has been signed here making each employee personally responsible for damage arising from illegal or sympathy strikes. The agreement is between the M. D. Muttart Ltd., lumber company, and about 90 members of the Edmonton local of the Amalgamated Building and Construction Workers, (CCL). Many requests have already been received from across Canada for copies of the unique contract.

Stanley W. Ross, counsel for Muttarts, said he believed it was the first time responsibility and liability for illegal work stoppages was assumed by employees in a union contract. Another unique feature is that the contract has been personally signed by all Muttart employees with the exception of office workers and supervisors.

When negotiations between the company and the union opened about a year ago, the company wanted the union to post a $20,000 bond to guarantee fulfillment of the new agreement. When this was refused, the contract went to arbitration, which eventually resulted in the present contract.

It says in part: "The union agrees that during the currency of this agreement or any renewal thereof, it will at no time order its members who are employed by the company out on any illegal or sympathy strike and

"The undersigned employees, and each of them, agree not to take part, join in, or support any illegal or sympathy strike or breach of this agreement and

"It is mutually agreed that an illegal strike shall be one so defined by the statutes or department regulations of either the provincial or Dominion government as may be applicable to the industry."

Another clause gives all employees a 10-cent-an-hour bonus while the cost of living index remains higher than 125. The bonus would end automatically when the index drops to 125.

'Inequalities' Lower Subsidy

OTTAWA (Staff)—Reduction of the cotton subsidy by 2.8c. a pound as at June 2 was made in order to iron out inequalities in the price of cotton goods, rather than as a major move in further price decontrol. To the extent that the base price for raw cotton in Canada is now 27.2c. and not 24.4c. a pound, this new adjustment brings Canadian prices more closely in line with world prices; but the primary reason for the move was to give assistance to various groups who were in difficulties over adjustments between raw and finished goods prices.

Other price adjustments announced by WPTB include partial removal of the inedible fats subsidy and minor adjustments in rayon and rayon fabric prices. The fats subsidy change will be reflected in increases of one cent in bars of toilet soap, two cents on laundry soap and increases in soap flake prices. Maximum prices for leather made from raw and pickled sheep, goat and kid skins have also been increased 10%.

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LIFE INSURANCE IN FORCE, December 31, 1946 *Increase over 1945 – 18.31%*	$1,218,904,681
NEW ORDINARY LIFE INSURANCE SOLD IN 1946 *Increase over 1945 – 60.5%*	$ 212,472,136
NEW GROUP LIFE INSURANCE SOLD IN 1946 *Increase over 1945 – 75%*	$ 54,186,025
ACCIDENT & SICKNESS PREMIUM INCOME (excluding Group) *Increase over 1945 – 35%*	$ 2,073,126
ASSETS: Increased to	$160,603,189.61
CAPITAL AND SURPLUS: Increased to	$ 12,388,907.32
1946 PAYMENTS to policyowners and beneficiaries	$ 14,310,960.00
TOTAL PAYMENTS to policyowners and beneficiaries since organization	$133,878,074.00

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$6,500,000

Province of New Brunswick

Sinking Fund Debentures

(Non Callable)

To be dated June 15, 1947

$2,500,000 Three-year 2% Debentures to mature June 15, 1950

$4,000,000 Fifteen-year 2¾% Debentures to mature June 15, 1962

Principal and half-yearly interest (June 15 and December 15) payable in lawful money of Canada in the Cities of Halifax, Charlottetown, Saint John, N.B., Moncton, Fredericton, Montreal, Toronto, Winnipeg, Regina, Calgary or Vancouver at the option of the holder. Coupon debentures in denominations of $1,000 and $500 with provision for registration as to principal.

The Provincial Secretary-Treasurer advises that the proceeds from the sale of these Debentures will be used in the amount of $4,960,000 for payment of maturing debentures, in the amount of $1,300,000 for hard surface roads and in the amount of $240,000 for permanent bridges.

The authorizing Order-in-Council will provide for an annual sinking fund of a sum equal to 1% of the principal amount of this issue.

Legal Opinion: Messrs. Manning, Mortimer and Kennedy, Toronto

In the opinion of Counsel these debentures will be legal, valid and binding direct and general obligations of the Province of New Brunswick and will be chargeable, principal and interest, on The Consolidated Revenue Fund of New Brunswick.

PRICE: Fifteen-year 2¾% Debentures, maturing June 15, 1962, 99¼ to yield 2.81%

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We offer these Debentures as principals, if, as and when issued and accepted by us, and subject to the approval of Counsel. It is expected that Debentures in Interim form, exchangeable for Definitive Debentures when available, will be ready for delivery on or about June 16th, 1947.

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The statements contained herein are based upon information we believe to be reliable but are in no event to be construed as representations by us.

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LIMITED

ANNUAL REPORT

DIRECTORS

C. R. WHITEHEAD, President
NORMAN J. DAWES, Vice-President
WM. HARTY HUGH MACKAY HON. LUCIEN MORAUD, K.C.
W. TAYLOR-BAILEY W. J. WHITEHEAD

Directors' Report to the Shareholders

GENTLEMEN:—

The financial position of the Company at 3rd May, 1947, and the results from operations for the year ended that date are shown by the accompanying Balance Sheet, Profit and Loss and Surplus Accounts.

Profits for the year including subsidy from the Commodity Prices Stabilization Corporation Limited, amounted to $357,727.81 after providing for reserves for depreciation and Government taxes and compares with profits last year of $341,350.03.

The plants are modern and efficiently operated and while the future cannot be foreseen the Directors have, in their judgment, taken every precaution considered necessary to ensure the progressive continuity of the Company's operations.

The Directors wish to express their appreciation of the loyal support and co-operative effort of the officers and employees in conducting the affairs of the Company.

Respectfully submitted on behalf of the Directors.

(Signed) C. R. WHITEHEAD, President.

Three Rivers, Que., 28th May, 1947

BALANCE SHEET
As at 3rd May, 1947.

ASSETS

Current Assets:—			
Cash on Hand and in Bank	$	27,851.66	
Dominion of Canada Bonds with interest accrued — less reserve (Approximate Market Value $2,718,370.91)		2,420,745.91	
Accounts and Bills Receivable — less reserves		573,539.63	
Inventories as determined and certified by the Management — Raw Cotton, partly manufactured and manufactured stock, at cost or market value, whichever was the lower — less reserves. Supplies and Chemicals at average cost and not over replacement value		1,383,350.85	$4,405,488.05
Funds Deposited with Trustee for Bondholders			40,250.00
Property:—			
Real Estate, Buildings, Plant, Machinery, etc., at cost, less amounts written off		12,114,382.80	
Less: Depreciation and Obsolescence provided		9,421,309.49	2,693,073.31
Investments:—			
Wholly Owned Subsidiary Companies		222,160.28	
Bonds and Common Stocks of Canadian Companies with interest accrued		29,279.68	
(Approximate Market Value $30,842.88)			251,439.91
Deferred Assets:—			
Unexpired Insurance, Prepaid Taxes, etc.		88,989.68	
Refundable portion of Excess Profits Tax		56,261.58	145,251.26
			$7,535,502.56

LIABILITIES

Current Liabilities:—			
Accounts and Bills Payable		$ 311,225.61	
Bank and Call Loans — Secured		995,000.00	
Operating Expenses and Accrued Wages		238,569.73	
Provision for Municipal and other Taxes		351,328.27	
Bond Interest accrued		12,964.39	
4% First Mortgage Bonds due 1st February 1948		175,000.00	$2,084,088.00
First Mortgage Bonds:—			
Authorized	$4,400,000.00		
Issued: Series "A" 4% Serial Bonds dated 1st February 1936 — maturing $175,000.00 in each of the fifth to twelfth years	$1,400,000.00		
Less: Bonds matured and Bonds maturing 1st February 1948	1,400,000.00		
4½% Fifteen Year Bonds dated 1st February 1936			1,000,000.00
Provision for Research, Plant Improvements and Contingencies			1,000,000.00
Capital Stock:—			
Authorized:— 105,000 Shares of No Par Value.			
Issued:— 69,903 Shares fully paid			2,000,000.00
Refundable Portion of Excess Profits Tax			56,261.58
Earned Surplus:—			
General Reserve		500,000.00	
Balance as at 3rd May 1947		895,152.98	1,395,152.98
			$7,535,502.56

(Signed) { C. R. WHITEHEAD, Director
NORMAN J. DAWES, Director

Montreal, 19th May, 1947.
Verified as per our Report of this date.
(Signed) RIDDELL, STEAD, GRAHAM & HUTCHISON, Chartered Accountants, Auditors.

PROFIT AND LOSS ACCOUNT
For the Year Ended 3rd May 1947

Net Profit for the year ended 3rd May 1947 before providing for the undernoted items		$1,296,551.20
Revenue from Investments		72,178.05
		1,368,729.25
Depreciation on Property and Plant	$ 572,636.62	
Bond Interest	58,224.67	
Directors' Fees	6,140.00	
Legal Fees	13,099.74	
Executive Salaries	39,663.10	
Provision for Government Taxes	321,237.31	1,011,001.44
Net Profit for the Year Transferred to Surplus Account		$ 357,727.81

EARNED SURPLUS ACCOUNT
as at 3rd May 1947

Balance at credit 27th April 1946	$ 773,855.13
Deduct:	
Sundry Adjustments affecting prior years	4,385.46
	769,469.67
Add:	
Net Profit for the year ended 3rd May 1947	357,727.81
Profit on Sale of Investments	47,567.50
	1,174,764.98
Deduct:	
Dividends Paid	279,612.00
	$ 895,152.98

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Construction Trends By CLIVE CHATTOE

'Not Liberal Enough' Says Legion Of Plans for Easier Housing Loans

"If we must subsidize house building—and the record says we've been doing that in Wartime Housing for years—let's subsidize home ownership for a change, as against transient tenancy."

That's the effect of proposals to the Government last week by Canadian Legion national headquarters and Toronto Metropolitan Home Builders' Association, proposals made independently but coinciding bare hours before passage in the Commons of legislation (Bill 176) to liberalize lending terms under the National Housing Act (The Financial Post, May 17, 24 and 31).

The Government's idea of liberalization was far from adequate, they said in effect in submissions to Prime Minister King and Reconstruction Minister Howe.

Not impressed with NHA amendments which retain the "appraisal gap" between actual cost of a new house and the lower valuation put on it as secure mortgage collateral—a gap which the Legion and builders say is keeping thousands of would-be small home owners out of the building market and "in the rental breadlines" — the two groups are asking, for all firm-price house building under the official "integrated" scheme: (a) an end to the appraisal gap; and (b) 3½% money, in addition to the larger-loan-and-longer-to-pay formula advanced in NHA amendments passed last week.

• • •

'Lend 90% of Actual Cost Of Houses $7,000 or Less'

The Legion, declaredly seeking "new opportunity for the average low-income and habitually renting family to own a good low-cost home," says in effect that this goal can be achieved only by a formula offering lower "down" and monthly payment.

Here's the "less down and less monthly" formula and accompanying argument put before Messrs. King and Howe by President Maj.-Gen. C. B. Price, Housing Chairman J. L. E. Price, Lt.-Col. Lucien Lalonde, J. C. G. Herwig and Douglas W. Smith, for the Legion, and by Toronto home builders:

1. "In the national interest, the veteran of low income who aspires to home ownership should no longer be required to negotiate mortgage loans through lending institutions at a 4½% interest rate. Instead, mortgage loans on homes costing $7,000 or less should be negotiated directly with the Government at a 3½% interest rate, as under the Veterans' Land Act. Such reduction would cut carrying charges on a $5,000 house by $2.50 a month.

2. "Lend to eligible borrowers 90% of actual cost for 30 years at that 3½% interest rate, instead of the 83% of 'safety-margin appraisal' now proposed under NHA. Under such plan, monthly carrying charges would be cut to $6 a month per $1,000 of actual capital cost and a house costing $5,000 would be carried at not over $30 a month, or one at $7,000 not over $42 for principal repayment, interest, municipal taxes and fire insurance. It is assumed such terms would involve elimination of the lending institutions and that loans would be made directly by the Government."

• • •

Only "Integrated" Houses Would Get Extra Assist

These two far-reaching proposals by the Legion and home builders are based on the following considerations, their submissions said:

1. Applicable only to approved projects under the official "integrated" housing program involving firm-price contracts;

2. Predetermined "sale price" and "lending value" to be one and the same but in no case exceeding $7,000;

3. Applicable only where municipality agrees that assessed value for taxes won't exceed two-thirds of lending value;

4. Cost of land included in lending value not to exceed 10% of cost of building;

5. Mortgages under NHA Part 1 to be for 90% of predetermined "sale price" or "lending value", which will be one and the same; amortized over 30 years and bearing interest at the rate of 3½%;

6. Predetermined "sale price" or "lending value" to represent actual cost of land, labor and materials in the current market, plus an approved margin of profit for the builder.

• • •

"Put the Builders Back In Business"—is Plea

Adoption of the formula outlined here would, the submissions said:

1. Put house builders back in business;

2. Provide incentive for real competition to produce attractive low-cost homes;

3. Reduce demand for public ownership of living accommodation;

4. Contribute to elimination of subversive political thinking.

"The nation's housing program has bogged down," the submissions said. "Government, its housing policy at the cossroads, must face the fact that the only way to reduce demand for subsidized shelter is to encourage home ownership.

"Building plans recently have been cancelled wholesale, not only by the life insurance companies (Housing Enterprises of Canada) but also by hundreds of individuals in Montreal, Toronto and other key centres. Government, to break this housing bottleneck, must realistically liberalize the terms of Part 1 of the National Housing Act for housing costing $7,000 or less per unit, thus placing private enterprise in a position to augment the activities of Wartime Housing Ltd."

One footnote must be added: Builders don't agree with the $7,000 price cutoff for the recommended liberalized loans; would like to see the figure set nearer $9,000.

Three Ontario Paper Firms To Import Help

A three-man selection "team," representing three Ontario pulp and paper companies, is now overseas to start arrangements for the careful selection of some 1,400 immigrants.

It is planned that 1,400 men, from 20 to 40 years old, will be brought to Ontario from Europe's displaced person camps to help solve the serious shortage of bush workers.

The companies participating in the immigration plan are the Spruce Falls Power & Paper Co., Abitibi Power & Paper Co. and Great Lakes Paper Co. Details of the plan have been worked out by officials of the companies with the Dominion Government, it is reported.

The companies have guaranteed to provide employment for the immigrants for a minimum of 10 months. The undertaking stipulates that wage rates, conditions of employment and accommodation for the newcomers will be at the same standard as those prevailing for bushmen in the areas where the men will be working, it is reported. The companies will also enter into individual contracts with the men themselves setting down the same guarantees regarding wages and working conditions.

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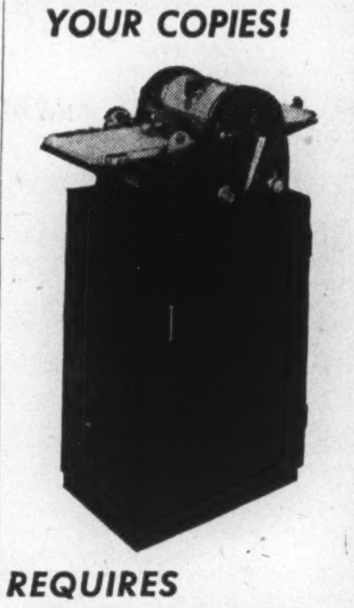

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BRANCHES OR AGENCIES IN PRINCIPAL CITIES FROM COAST TO COAST

They CAME TO FIND OUT

In 1847 when the Canada Life was founded, few people understood just what life insurance was. Many were opposed to it. Some thought they would be inviting the wrath of Providence by insuring their lives.

So lecturers were sent out to explain life insurance at public meetings. Gradually, as people learned of the benefits of life insurance, the early hostility gave way to implicit confidence.

Since its beginning 100 years ago, the Canada Life has issued some 800,000 policies; it has paid policyholders and beneficiaries, or accumulated for them, more than $940 millions—$100 millions more than the premiums it has received.

A MODERN COMPANY 100 YEARS OLD
THE CANADA LIFE ASSURANCE COMPANY

PROVINCE OF BRITISH COLUMBIA new issue of $3 million 2¾% sinking fund debentures, to be dated June 15, 1947 and to mature June 15, 1968, is being offered at $100.75 and accrued interest to yield about 2.70% by a syndicate headed by Mills, Spence & Co. Proceeds are for loans or advances to the B. C. Power Commission to enable it to acquire, construct or develop electrical power plants, it is stated.

These Shares having been sold, this advertisement appears as a matter of record.

Additional Issue

$3,525,000

Dominion Tar & Chemical Company, Limited

(Incorporated under the laws of the Dominion of Canada)

Cumulative Redeemable Preference Shares
Par Value $23.50

Preferred as to Capital and Dividends. Cumulative preferential dividends at the rate of $1.00 per share per annum will accumulate from July 1st, 1947 and as and when declared by the Board of Directors will be payable in quarterly instalments of 25¢ per share on 1st October, January, April and July. Dividends will be payable in lawful money of Canada at par at any branch in Canada of the Company's bankers (Yukon Territory excepted). Redeemable in whole at any time or in part from time to time, at the option of the Company, on not less than thirty days' notice, at $25 per share plus accumulated and unpaid dividends to the date fixed for redemption. The Company may purchase the Preference Shares for cancellation at any time.

Transfer Agent: Montreal Trust Company, Montreal, Toronto, Winnipeg, Vancouver, and Halifax, and The Royal Trust Company, Saint John.

Registrar: The Royal Trust Company, Montreal, Toronto, Winnipeg, Vancouver, Halifax, and Saint John.

In the opinion of Counsel, these Preference Shares will be a legal investment for funds of Insurance Companies registered under The Canadian and British Insurance Companies Act, 1932, as amended.

Capitalization
(After giving effect to proposed financing)

	Authorized	Outstanding
First Mortgage Bonds	$6,000,000	
3½% Serial Bonds Series "A"		$2,750,000
Cumulative Redeemable Preference Shares at $23.50 par value	300,000 shares	300,000 shares
Common Shares no par value	450,000 shares	442,000 shares

The Preference Shares of the Company are listed on the Toronto and Montreal Stock Exchanges subject to the 150,000 Shares presently offered being called for trading.

We offer as principals these Preference Shares if, as, and when issued and accepted by us and subject to prior sale, or change in price and also subject to the approval of our Counsel, Messrs. Montgomery, McMichael, Common, Howard, Forsyth & Ker, Montreal, who are also Counsel for the Company.

Price: $24.00 per share, yielding about 4.17%

It is expected that delivery of Certificates for these Preference Shares in definitive form will be made on or about July 2nd, 1947.

The Cumulative Redeemable Preference Shares referred to herein are being offered in Canada, but not in the United States of America. This advertisement is not, and under no circumstances is to be considered as, an offering of any of these Shares for sale in the United States of America or a solicitation therein of any offer to buy any of these Shares.

A Prospectus, a copy of which has been filed under the provisions of The Companies Act, 1934, as amended, will be promptly furnished upon request.

Wood, Gundy & Company Limited — Greenshields & Co Inc

THE

WABASSO COTTON COMPANY

LIMITED

ANNUAL REPORT

DIRECTORS

C. R. WHITEHEAD, President
NORMAN J. DAWES, Vice-President
WM. HARTY HUGH MACKAY HON. LUCIEN MORAUD, K.C.
W. TAYLOR-BAILEY W. J. WHITEHEAD

Directors' Report to the Shareholders

GENTLEMEN:—

The financial position of the Company at 3rd May, 1947, and the results from operations for the year ended that date are shown by the accompanying Balance Sheet, Profit and Loss and Surplus Accounts.

Profits for the year including subsidy from the Commodity Prices Stabilization Corporation Limited, amounted to $357,727.81 after providing for reserves for depreciation and Government taxes and compares with profits last year of $341,350.03.

The plants are modern and efficiently operated and while the future cannot be foreseen the Directors have, in their judgment, taken every precaution considered necessary to ensure the progressive continuity of the Company's operations.

The Directors wish to express their appreciation of the loyal support and co-operative effort of the officers and employees in conducting the affairs of the Company.

Respectfully submitted on behalf of the Directors.

(Signed) C. R. WHITEHEAD, President.

Three Rivers, Que., 28th May, 1947

BALANCE SHEET
As at 3rd May, 1947.

ASSETS

Current Assets:—			
Cash on Hand and in Bank		$ 27,851.66	
Dominion of Canada Bonds with interest accrued — less reserve (Approximate Market Value $2,718,370.91)		2,420,745.91	
Accounts and Bills Receivable — less reserves		573,539.63	
Inventories as determined and certified by the Management — Raw Cotton, partly manufactured and manufactured stock, at cost or market value, whichever was the lower — less reserves. Supplies and Chemicals at average cost and not over replacement value		1,383,350.85	$4,405,488.05
Funds Deposited with Trustee for Bondholders			40,250.00
Property:—			
Real Estate, Buildings, Plant, Machinery, etc., at cost, less amounts written off		12,114,382.80	
Less: Depreciation and Obsolescence provided		9,421,309.49	2,693,073.31
Investments:—			
Wholly Owned Subsidiary Companies		222,160.26	
Bonds and Common Stocks of Canadian Companies with interest accrued		29,279.68	
(Approximate Market Value $30,842.88)			251,439.94
Deferred Assets:—			
Unexpired Insurance, Prepaid Taxes, etc.		88,989.68	
Refundable portion of Excess Profits Tax		56,261.58	145,251.26
			$7,535,502.56

LIABILITIES

Current Liabilities:—			
Accounts and Bills Payable		$ 311,225.61	
Bank and Call Loans — Secured		995,000.00	
Operating Expenses and Accrued Wages		238,569.73	
Provision for Municipal and other Taxes		351,328.27	
Bond Interest accrued		12,964.39	
4% First Mortgage Bonds due 1st February 1948		175,000.00	$2,084,088.00
First Mortgage Bonds:—			
Authorised	$4,400,000.00		
Issued: Series "A" 4% Serial Bonds dated 1st February 1936 — maturing $175,000.00 in each of the fifth to twelfth years	$1,400,000.00		
Less: Bonds matured and Bonds maturing 1st February 1948	1,400,000.00		
4½% Fifteen Year Bonds dated 1st February 1936			1,000,000.00
Provision for Research, Plant Improvements and Contingencies			1,000,000.00
Capital Stock:—			
Authorized:— 105,000 Shares of No Par Value.			
Issued:— 69,903 Shares fully paid			2,000,000.00
Refundable Portion of Excess Profits Tax			56,261.58
Earned Surplus:—			
General Reserve		500,000.00	
Balance as at 3rd May 1947		895,152.98	1,395,152.98
			$7,535,502.56

(Signed) { C. R. WHITEHEAD, Director; NORMAN J. DAWES, Director }

Montreal, 19th May, 1947.
Verified as per our Report of this date.
(Signed) RIDDELL, STEAD, GRAHAM & HUTCHISON, Chartered Accountants, Auditors.

PROFIT AND LOSS ACCOUNT
For the Year Ended 3rd May 1947

Net Profit for the year ended 3rd May 1947 before providing for the undernoted items		$1,296,551.20
Revenue from Investments		72,178.05
		1,368,729.25
Depreciation on Property and Plant	$ 572,636.62	
Bond Interest	58,224.67	
Directors' Fees	6,140.00	
Legal Fees	13,099.74	
Executive Salaries	39,663.10	
Provision for Government Taxes	321,237.31	1,011,001.44
Net Profit for the Year Transferred to Surplus Account		$ 357,727.81

EARNED SURPLUS ACCOUNT
as at 3rd May 1947

Balance at credit 27th April 1946	$ 773,855.13
Deduct: Sundry Adjustments affecting prior years	4,385.46
	769,469.67
Add: Net Profit for the year ended 3rd May 1947	357,727.81
Profit on Sale of Investments	47,567.50
	1,174,764.98
Deduct: Dividends Paid	279,612.00
	$ 895,152.98

Construction Trends By CLIVE CHATTOE

'Not Liberal Enough' Says Legion Of Plans for Easier Housing Loans

"If we must subsidize house building—and the record says we've been doing that in Wartime Housing for years—let's subsidize home ownership for a change, as against transient tenancy."

That's the effect of proposals to the Government last week by Canadian Legion national headquarters and Toronto Metropolitan Home Builders' Association, proposals made independently but coinciding bare hours before passage in the Commons of legislation (Bill 176) to liberalize lending terms under the National Housing Act (The Financial Post, May 17, 24 and 31).

The Government's idea of liberalization was far from adequate, they said in effect in submissions to Prime Minister King and Reconstruction Minister Howe.

Not impressed with NHA amendments which retain the "appraisal gap" between actual cost of a new house and the lower valuation put on it as secure mortgage collateral—a gap which the Legion and builders say is keeping thousands of would-be small home owners out of the building market and "in the rental breadlines" — the two groups are asking, for all firm-price house building under the official "integrated" scheme: (a) an end to the appraisal gap; and (b) 3½% money, in addition to the larger-loan-and-longer-to-pay formula advanced in NHA amendments passed last week.

• • •

'Lend 90% of Actual Cost Of Houses $7,000 or Less'

The Legion, declaredly seeking "new opportunity for the average low-income and habitually renting family to own a good low-cost home," says in effect that this goal can be achieved only by a formula offering lower "down" and monthly payment.

Here's the "less down and less monthly" formula and accompanying argument put before Messrs. King and Howe by President Maj.-Gen. C. B. Price, Housing Chairman J. L. E. Price, Lt.-Col. Lucien Lalonde, J. C. G. Herwig and Douglas W. Smith, for the Legion, and by Toronto home builders:

1. "In the national interest, the veteran of low income who aspires to home ownership should no longer be required to negotiate mortgage loans through lending institutions at a 4½% interest rate. Instead, mortgage loans on homes costing $7,000 or less should be negotiated directly with the Government at a 3½% interest rate, as under the Veterans' Land Act. Such reduction would cut carrying charges on a $5,000 house by $2.50 a month.

2. "Lend to eligible borrowers 90% of actual cost for 30 years at that 3½% interest rate, instead of the 83% of 'safety-margin appraisal' now proposed under NHA. Under such plan, monthly carrying charges would be cut to $6 a month per $1,000 of actual capital cost and a house costing $5,000 would be carried at not over $30 a month, or one at $7,000 not over $42 for principal repayment, interest, municipal taxes and fire insurance. It is assumed such terms would involve elimination of the lending institutions and that loans would be made directly by the Government."

• • •

Only "Integrated" Houses Would Get Extra Assist

These two far-reaching proposals by the Legion and home builders are based on the following considerations, their submissions said:

1. Applicable only to approved projects under the official "integrated" housing program involving firm-price contracts;

2. Predetermined "sale price" and "lending value" to be one and the same but in no case exceeding $7,000;

3. Applicable only where municipality agrees that assessed value for taxes won't exceed two-thirds of lending value;

4. Cost of land included in lending value not to exceed 10% of cost of building;

5. Mortgages under NHA Part 1 to be for 90% of predetermined "sale price" or "lending value", which will be one and the same; amortized over 30 years and bearing interest at the rate of 3½%;

6. Predetermined "sale price" or "lending value" to represent actual cost of land, labor and materials in the current market, plus an approved margin of profit for the builder.

• • •

"Put the Builders Back In Business"—is Plea

Adoption of the formula outlined here would, the submissions said:

1. Put house builders back in business;

2. Provide incentive for real competition to produce attractive low-cost homes;

3. Reduce demand for public ownership of living accommodation;

4. Contribute to elimination of subversive political thinking.

"The nation's housing program has bogged down," the submissions said. "Government, its housing policy at the cossroads, must face the fact that the only way to reduce demand for subsidized shelter is to encourage home ownership.

"Building plans recently have been cancelled wholesale, not only by the life insurance companies (Housing Enterprises of Canada) but also by hundreds of individuals in Montreal, Toronto and other key centres. Government, to break this housing bottleneck, must realistically liberalize the terms of Part 1 of the National Housing Act for housing costing $7,000 or less per unit, thus placing private enterprise in a position to augment the activities of Wartime Housing Ltd."

One footnote must be added: Builders don't agree with the $7,000 price cutoff for the recommended liberalized loans; would like to see the figure set nearer $9,000.

Faster Trains from Toronto Growth Need for Owen Sound

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Three Ontario Paper Firms To Import Help

A three-man selection "team," representing three Ontario pulp and paper companies, is now overseas to start arrangements for the careful selection of some 1,400 immigrants.

It is planned that 1,400 men, from 20 to 40 years old, will be brought to Ontario from Europe's displaced person camps to help solve the serious shortage of bush workers.

The companies participating in the immigration plan are the Spruce Falls Power & Paper Co., Abitibi Power & Paper Co. and Great Lakes Paper Co. Details of the plan have been worked out by officials of the companies with the Dominion Government, it is reported.

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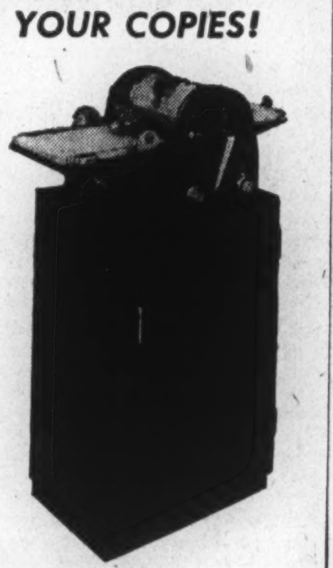

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A Prospectus, a copy of which has been filed under the provisions of The Companies Act, 1934, as amended, will be promptly furnished upon request.

Wood, Gundy & Company Limited **Greenshields & Co Inc**

J. A. WILLOUGHBY
City and Country
REAL ESTATE

Downtown Office: 156 Yonge St. Uptown Office: 1 Heath W at Yonge
ESTABLISHED OVER 40 YEARS

FOUNDED 1829

Upper Canada College
Toronto, Canada

A RESIDENTIAL AND DAY SCHOOL FOR BOYS, AGED 7-18

Junior and Senior Matriculation: Games for all boys: Fireproof Residences: Well equipped classrooms: Modern Gymnasium: Swimming Pool. Scholarships offered boys of fourteen and under. Autumn Term opens Wednesday, September 10th. For Prospectus please apply to

L. M. McKenzie, B.A., *Principal.*

473

JACK: You know, Bill, I'm continually impressed with the number of angles there are to the Export business. I've been learning something lately about Port Charges—and they can amount to quite an item, as you know.

BILL: Then you learned that you could avoid $25.00 charges at the Port of New York, for instance, by shipping through a Canadian port.

JACK: Exactly! But what about goods to Pacific ports in Colombia, Chile, and Peru, for which there is no direct Canadian steamship service—that's a different problem.

BILL: No trouble there! Canadian-European Forwarders Limited will arrange shipment via Canadian ports, and have the goods trans-shipped at an intermediate port to West Coast steamers.

JACK: But does that save money and time?

BILL: Sure! The trans-shipment takes place within one week, without any extra freight costs—furthermore, you get an ocean bill of lading to final destination. All those costly New York charges are eliminated. Yes, Jack, there *are* many phases of transportation of which the layman has little knowledge. It takes a firm of experts—like Canadian-European Forwarders Limited—to know all the angles . . . and they sure do. It will pay *any* Exporter to use their services, not only for their expert knowledge, but for the savings they make in time, money and effort.

CANADIAN-EUROPEAN FORWARDERS LTD.

Canada's Leading International Freight Forwarders

Empire Building EL. 5491*
TORONTO 1 (4 lines to Central)

Industrial Growth in Canada

New Plant Expansion Projects to Increase Production and Employment in Industry

National Lead

National Lead Co.'s Canadian Titanium Pigments, President J. A. Martino, New York, "will consider resuming construction (at Cap de la Madeleine, Que.) when labor and equipment are again readily available and costs of construction have become stabilized," Vice-President C. F. Garesche, New York, advises The Financial Post. Cap de la Madeleine industry and municipal circles (see Industrial Growth, May 24) have been hoping the uncertain date may prove to be 1948 or 1949. Canadian Titanium, then owned by Canadian Industries Ltd., started construction last year of a big titanium dioxide plant at the Quebec centre, but in late fall stopped work, postponed project. First estimates of $5 millions including equipment soared out of site in a few months; as Mr. Garesche says: "Engineering figures indicated costs of construction had gone beyond reasonable levels and that, due to unavailability of equipment and labor ultimate costs would be excessively high." G. N. Bates, 630 Dorchester St., W., Montreal, is treasurer; J. B. Henrich, National Lead, 111 Broadway, New York, secretary.

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Chesley-Sarnes

Chesley Sarnes Co., Detroit, automotive accessories maker, sets up small branch operation Chatham, Ont., with initial investment around $50,000 according to Industrial Commissioner W. M. Gray. First product outside rear-view mirror; later, aluminum ladder as well. Manager, H. F. Fuller, formerly Windsor; Secretary, V. B. Waffle, Chatham.

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Garden Tractor

Garden Tractor & Equipment, Windsor, Ont., completes 20,000 sq. ft. additions; is taking on additional workers for expansion of machining and assembly operations.

• • •

CGE

Canadian General Electric, President H. M. Turner, Toronto, pushing construction of fluorescent lamp plant at Oakville and plastics plant at Cobourg in its Ontario decentralization program (Industrial Growth, Feb. 15), adds major expansion at Peterborough, Ont., to current building schedule. To plans by architects Beck & Eadie, A. W. Robertson Ltd. and Dominion Bridge will start soon on $1.5 million extension units, including assembly building, 90,000 sq. ft., reinforced concrete, steel and brick.

• • •

Mine Safety

Mine Safety Appliances, Canada, Toronto, President John F. Beggy, Pittsburgh, has foundation in for $75,000 plant extension, two stories, 16,000 sq. ft., doubling original; architects Prack & Prack; contractor Milne & Nicholls Ltd. "Substantial" addition to payroll and to output of oxygen breathing apparatus, respirators, gas detecting and recording devices, first aid supplies. Rowland Morris is Canadian manager.

• • •

Howick Mfg.

W. Howick Mfg., Montreal, completes 6,600 sq. ft. addition costing $75,000; is adding up to 50 workers to boost output of children's playtogs, slacks, shirts, robes.

• • •

Borden

Borden Co., Toronto, President Matthew D. Warner (subsidiary of Borden Co., New York, President Theodore C. Montague), plans construction of new milk powder factory at LeBaie, Que., among capital items in the 1947 spending program. Cheese plants will be bought or built in areas of plentiful supply of manufactured milk, continuing expansion which last year saw Borden buy five country cheese plants in Ontario. Fairly extensive improvements were made at existing cheese plants at Aultsville, Bouck's Hill and Gallingertown, Ont.

Parent company recently authorized for 1947 largest capital spending program in its history—$26 millions, including $12 millions revote from prior budgets. Much construction and equipment scheduled for 1946 was carried over due to lack of supplies, high building costs, rising equipment prices, recent annual report said.

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Sundstrom-Gray

Sundstrom-Gray Ltd., recently incorporated, buys brick building at 16 Davenport Rd., Toronto, to make luminous switch plate locator screws, pull-chain pendants, safety markers for theatres, custom-made radium luminous items.

• • •

Rust Craft

Rust Craft Ltd., Toronto, Manager Fred L. Cranston (affiliated with Rust Craft Publishers, Boston, Mass.), buys 20,000 sq. ft. plant in suburban Leaside for warehousing and finishing of greeting cards, commercial printing, lithography. To add 20 to working force of 150. Will share Leaside building with an existing tenant; move in early June. Will continue present in-city plant (Simcoe St.) and main office (Front St.).

• • •

C-I-L

Canadian Industries Ltd., President and Managing Director G. W. Huggett, Montreal, pushes one of Canada's biggest industrial expansion programs. Having recently completed extension to Montreal paint plant, and extensive new installations in Shawinigan Falls "Cellophane" plant (where additions are contemplated indefinitely), is advancing or completing major construction listed below, and planning (a) $300,000 pesticide unit at Hamilton, and (b) $500,000 salt refinery near Vermilion, Alta.

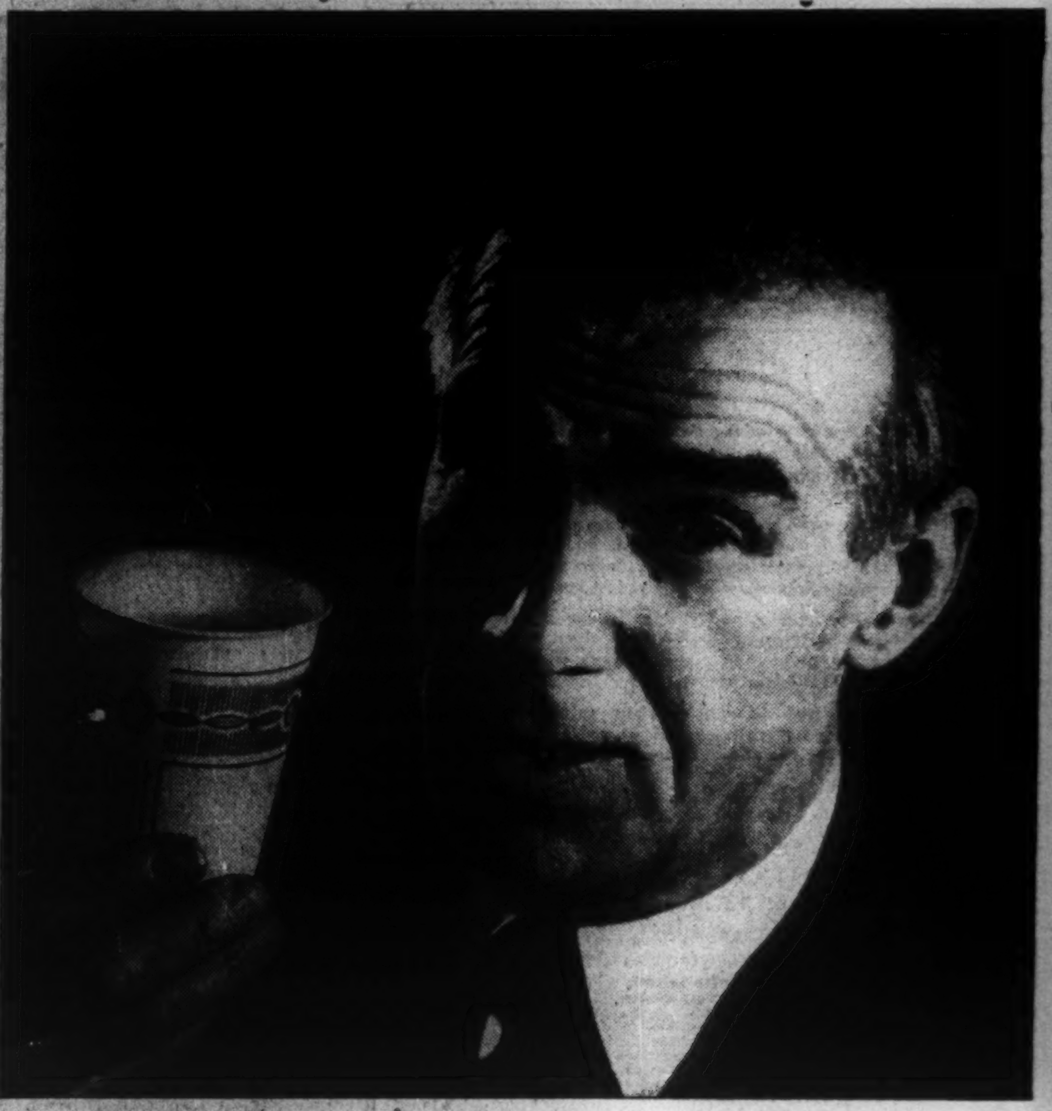
Brownsburg, Que.—Completing $200,000 extension and improvement of plastics plant to "substantially" boost output nylon monofilament for brushmakers (tapered nylon bristle now mostly imported from United States), contractor J. L. E. Price & Co.

Kingston, Ont. — Completing about August or September $4 million nylon plant extension.

Hamilton, Ont. — Pushing for completion early 1948, $1 million 100,000 sq. ft. sulphuric acid unit at existing plant; contractor Leonard Construction, Chicago. Initially will provide raw material storage, tanks for finished acid; eventually replace outmoded production units.

North York, Ont. (near Toronto)—Pushing for summer completion new $1.5 million paint plant, 50,000 sq. ft., one to four stories, steel and brick; contractor Carter Construction. To make synthetic resin finishes for automotive trade.

New Toronto, Ont.—Completion scheduled few weeks hence of $200,000 extension to "Fabrikoid" plant; contractor Carter Construction. Larger unit reinforced concrete and brick; smaller, concrete with wood superstructure. Coats fabrics with pyroxylin, rubber, synthetic rubber, synthetic resin; makes synthetic resin film.



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DIXIE CUP COMPANY (CANADA) LTD., 100 STERLING ROAD, TORONTO, CANADA

New Marlon Rouyn Nears Production

Underground development is continuing on the 150 and 300-ft. levels at New Marlon Gold Mines, and preparations for shipping ore to the recently purchased Francoeur mill are steadily being advanced, The Financial Post is informed. Stoping operations have already started on the 450-ft. level in preparation for production.

Work so far on the 150 and 350-ft. horizons has shown a length of 102.5 ft. grading $9.66 across 5.7 ft. and 146 ft. averaging $9.45 across 5.1 ft., respectively. Drifting south on the 250- and 450-ft. levels has been completed. A length of 280 ft. returned $16.48 across 5.8 ft. on the 250 and a length of 295.5 ft. averaged $11.44 across 5.7 ft. on the 450.

The ore bin at the Francoeur is expected to be completed by month end and rehabilitation of the mill and assay office is nearing completion, so that these buildings are practically ready for operations. Cribbing and trestles for the overhead tramway are complete except for the track.

HEVA GOLD MINES has sold 124,714 shares at 30 cents a share, payable $15,000 cash; $22,414 by June 23. Upon issue of this block, issued capital will be three million shares.

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What the Labor Press is Saying

Excerpts from editorials and articles appearing currently in Canadian and U. S. Labor Publications

The Trades and Labor Congress Journal: In a free country organized labor will not question the right of the president of a privately owned bank from airing his views and wishes as they affect organized labor. We go further than advocating mere control of his organization. We strongly advocate, in the interests of most citizens and to avoid the disaster and misery of depression, that the control of our medium of exchange and credit be taken out of the hands of private institutions entirely.

• • •

The Fishermen: In 1931 fishermen on the west coast of Vancouver Island faced a serious threat to their livelihood. Prices were poor, the market was unstable, morale was a low ebb. Cooperation appeared to be the only solution and consequently a cooperative was organized. It was called the Kyuquot Trollers Cooperative Association. They began by constructing a float with voluntary labor, selling their pool fish on an auction basis and in ensuing years have grown until they now collect at eight fish camps, run three large Diesel packers to carry their products to the rail heads and operate four consumers' stores to serve the people in the communities on the west coast.

They sell their fish in conjunction with four other co-operatives through the Fishermen's Co-operative Federation and they have at present under construction in Victoria a $75,000 building which will provide cold storage, sharp freezing facilities, and office space. From a very modest beginning the Kyuquot Trollers has expanded until it is now enjoying a position of leadership and influence on the west coast.

• • •

Canadian Mineworker: Members of the United Mineworkers of America, District 18, Alberta, can look back upon the year 1946 with some satisfaction. An agreement which gave miners increased incomes was signed without resort to stoppage of work. This is a matter of congratulations to those on both sides of the table who participated in the negotiations between the union and the coal operators. It is doubtful if any other Canadian union has made more substantial gains with as little industrial strife.

Ford Hotels Inc. Gets Udd Holdings

MONTREAL (Staff)—A 20% interest in the Ford Hotel Co. of Ottawa, formerly held by Ford Hotel president John C. Udd, passed to the parent company, Ford Hotels Co. Inc. at a shareholders meeting held in Buffalo last week. In exchange President Udd received 20,800 shares of common stock of the parent company valued roughly at $30,000. It is understood the exchange was made to comply with certain SEC regulations.

At the time the Ottawa hotel (Lord Elgin) was built 80% of the stock was issued to Ford Hotel Co. of Toronto and 20% to Udd. All the common stock of Ford Hotel, Toronto, is owned by the parent U. S. company. The Ottawa company, however, owns all of the shares of the $5 million Laurentian Hotel now under construction in Montreal. All common stock of the present Montreal Ford Hotel is owned by the parent company, it is stated.

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CIL Gets New Capacity At "Fabrikoid" Plant

A $200,000 expansion of Canadian Industries Ltd.'s "Fabrikoid" plant at New Toronto is 90% complete. (For other units in CIL's huge plant expansion program see Industrial Growth above. The plant coats fabrics with pyroxylin, rubber, synthetic rubber, synthetic resin; makes synthetic resin films. Normal output is of 900 different products and coated fabrics for use in such goods as adhesive tapes, footwear, travelling bags, etc. A number of the items are not being made at present, due to materials shortage.

LA CONGREGATION DES FRERES DE L'INSTRUCTION CHRETIENNE new issue of $450,000 first mortgage bonds are being offered by Paul Gonthier & Co., Montreal. Issue consists of $66,500 2½% bonds due April 1, 1948 to 1952 and $383,500 3% bonds due April 1, 1953 to 1972. Prices are $101 and accrued interest for the 1953 to 1958 maturities, $100.50 and accrued interest for the 1959 to 1962 maturities and $100 accrued interest for the 1968 to 1972 maturities.

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Another
CUMMINS-POWERED WORK BOAT

The new, 50-foot warping tug "Madawasca" will go into service on the Ottawa River this summer for the Upper Ottawa Improvement Company, Ltd. Two Model HM-603 Cummins Dependable Diesels will power this work boat, which will carry a crew of six men.

The rugged dependability of Cummins Marine Diesels . . . their ready, flexible supply of power . . . make them well suited for all types of towing and warping jobs.

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Pro-Communists Lose In Toronto Brass Plant

The pro-Communists have outsmarted themselves again, this time in the Coulter Copper and Brass plant in Toronto.

The cost of their party-line labor union activities: loss of a 160-member local in the Red-dominated CIO United Electrical Workers to the anti-communist CIO United Steelworkers.

The switch occurred two weeks ago but so far little has been said about it publicly, least of all by the labor-communists themselves.

Perhaps the answer for the strange silence lies in the fact that the Coulter workers left no doubt as to how they feel about their former leaders. When the vote to secede from the UEW and transfer to the USWA was taken, only one person voted "No."

Not even the oratory of George Harris, district secretary of the UEW, could turn the aroused unionists from their path. If anyone could have done it, Harris could have. For he was the man who organized the Coulter local in the first place.

What made the blow doubly hard to take was the fact that the Coulter unit was one of the first UEW locals organized in Toronto. Originally it was Local 514. Since then, the local has expanded to take in five separate plants. Not only did this cut down union overhead but it made for centralized control which is the usual Red technique for control where the majority of members are anti-Red.

Not Represented at Convention

The Financial Post was told that this control from the top was a major factor in the decision to swing over to the Steelworkers. The members haven't yet forgotten that at the last convention, the five delegates from Local 514 were Communist sympathizers and not one was from the Coulter unit.

In addition, they were fed up with being committed without consultation to each and every party-line political project their left wing leaders chose to support.

They were also more than somewhat envious of other unions where locals had their own officers. In the UEW, all the Coulter people had was a set of shop stewards.

All control of finances was in the hands of the officers of the combined local in which the Coulter people had little or nothing to say.

In this way, the UEW leadership has maintained its tight control over its claimed membership of 25,000. But in this dictatorship from the top are the seeds of revolt in the UEW garden.

Refused Strike Call

However, the straw that broke the patient backs of the Coulter workers was an attempt to force them out on a sympathy strike and when they refused, a move to kick the chief steward, a woman, out of office.

The sympathy strike was to have been in aid of a walkout by 17 Coulter employees in another plant in Toronto. But the issues were so beclouded and the UEW's position so questionable, that the sympathy strike call was ignored.

Out of the confusion these facts are clear: The smaller Coulter plant had been organized by the AFL Boilermakers Union, and a contract signed. The UEW then did what it has been screaming about other unions doing: it raided the AFL group, claimed 17 of the 19 employees and the strike was on.

The employees of the big Coulter plant didn't like the look of it. They liked it even less when they were asked to strike in sympathy. Then the strikers began to trickle back and the UEW washed its hands of them. Now they are back in the AFL again. Then came the attempt to oust the chief steward. That was the last straw. In a few days the Steelworkers had a new local.

All this occurred, The Post learns, while negotiations were under way for a renewal of a contract. The old contract expires in June and until the Steelworkers can be certified as the new bargaining agent, the agreement with the UEW, even though it has no membership in the plant, remains in force.

Despite this latest object lesson in what to expect in dealing with the UEW leadership, the union continues to break new ground. Even while they were losing Coulter, they won certification and a contract at the Taylor Safe Works in Toronto. Probabilities are that this new unit will take the place of the Coulter group in Local 514.

A short time ago, they scored a major victory by organizing the various offices of the Dominion Electric Protection in Montreal, Toronto and Ottawa.

It remains to be seen how long it takes them to reach the conclusions just reached by the Coulter workers and before them, the employees of Smith and Stone, Brampton, Ont., who switched to the AFL.

The UEW has also had trouble in the Davenport works of the Canadian Electric Co., the 4,000-man local in Westinghouse at Hamilton and in the CGE plant at Peterboro. In each case the cause of the rebellions is the same, pro-Communist control.

JOHN G. COUNSELL

president of the Canadian Paraplegic Association, has been appointed a director of the Harry E. Foster Advertising Agencies.

OCCIDENTAL LIFE INSURANCE CO. with Canadian head office at London, Ont., reports a new record in 1946 in new sales of ordinary insurance with substantial increases in assets and surplus. Total business in force over the entire operations of the company was $1.2 billions on Dec. 31, 18.31% over 1945. New ordinary life insurance increased more than 60% over 1945 to $212,472,136 in 1946. The group department, with $54 millions showed a 75% gain over 1945, and the company's accident and sickness premium income, excluding group, totalled $2 millions, a 35% increase.

Total assets increased to the new record of $160 millions. Payment of $14 millions to policyowners and beneficiaries set new records. Total payments since organization total $133,878,074. More than 900,000 persons are now protected by some form of Occidental insurance, an increase of more than 100,000 during the year. Canadian business in force on Dec. 31 was $71 millions.

CITY OF SAINT JOHN, N.B., has called for tenders on $322,000 2% to 3% serial debentures to mature from 1948 to 1972. Proceeds will be used as follows: $91,000 for Lancaster sewers, $75,000 for municipal parks, $81,000 for Lancaster Highway and $75,000 for Simonds sewers. The issue will be callable in whole or in part on 90 days notice.

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Legal Opinion: Messrs. Daly, Thistle, Judson & McTaggart, Toronto.

In the opinion of Counsel these Debentures will be direct obligations of the Province of British Columbia and will be a charge as to principal and interest on the Consolidated Revenue Fund of the Province. The net proceeds of the sale of these debentures will be applied in the making of repayable loans or advances to the British Columbia Power Commission to enable the said Commission to acquire, construct or develop electrical power plants.

PRICE: 100.75 and accrued interest yielding over 2.70%

We offer these Debentures if, as and when issued and accepted by us, subject to the favourable legal opinion of Counsel. Subscriptions will be received subject to rejection or allotment. It is expected that Debentures in definitive form will be available for delivery on or about June 17, 1947.

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Queen Mary, who celebrated her 80th birthday last week, was an interested visitor to the Canadian display at the British Industries Fair in London. Beside her is Norman Robertson, Canadian High Commissioner in the United Kingdom; on her right is Sir Stafford Cripps, and on the extreme right is R. E. J. Moore, Department of Overseas Trade.

WHAT'S NEW IN BUSINESS

Manufacturers of products that are either completely new or are being made in Canada for the first time are invited to contribute to this column. Describe the product, state its purpose, outline in what respects it is new, and indicate its significance to its field.

Precision Segregator

Sorting of 12,000 small parts per hour is possible with new electronic segregator which divides into three classifications; oversize, acceptable, and undersize. U. S. makers say unit can also be adapted for measuring internal dimensions, for simultaneous checking of more than one dimension, or for sorting into more than three classifications.

• • •

Detachable Vacuum

Industrial vacuum cleaner features detachable motor which may be used as a portable blower for cleaning the machinery of furnaces. Offered in two sizes, one weighing 42 lb. and using one h. p. motor; the other weighing 40 lb. and using 3/5 h.p. motor.

• • •

Outdoor Ads

Third dimensional signs are latest development in outdoor advertising. Experiments in United States include railroad ad. showing a streamliner with flashing wheels actually projecting from the sign as it passes a moving panoramic background. Research officials, investigating other adaptations of idea, say third dimensional signs will not mar beauty of communities, as they will be "built" to fit into surroundings of site.

• • •

Ends Wire Danger

Electric cable with conductors individually insulated in rubber and jacketed with "Neoprene" has ample strength to withstand abrasion from movement of tree branches in wind, thereby eliminating danger of "live" wires dropping in heavily congested areas and necessity of pruning shade trees to permit stringing of electric wires. U. S. officials explain that, should conductor fail, circuit will be cleared automatically by a circuit-breaker operation.

• • •

Range Finder

Adjusting screws are on outside of new range finder; hence if it gets out of adjustment through accident, user doesn't have to take it apart to fix it. Remains dustproof. Standard model, offered in United States, measures distances from 2½ ft. to infinity. Special model is calibrated metrically from 75 mm. up.

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Spun Glass Diffuser

"Chalk white" and "burned out" flash pictures are said to be eliminated by a combined diffuser and safety shield, now offered to photographers in United States. Spun glass disc won't burn, color, or scorch, and can be replaced by owner if damaged. Unit is a spring-tensioned hoop which can be attached to or removed from the reflector.

• • •

Plastic Wall Tile

Two Ontario firms are pioneering in Canada injection molding of polystyrene plastic wall tile. U. S. makers now number about 16. Winning attention of architects, builders, and tile trade are unusual lightness, strength against cracking and chipping, and waterproof, non-warping qualities. If material stands up against scratching, the trade says, its field in construction and remodelling appears wide. Another Canadian firm recently began first manufacture in Canada of large plastic-faced wall panels.

• • •

Insect Control

Applicator which emits fine DDT fog is said to have advantages over liquid spraying. U. S. makers of "TIFA" assert spraying only covers surface, and DDT concentration is sometimes fatal to birds, bees, and fish. Fog machine said useful to farms, creameries, laundries, resorts, hospitals, private ranches, garbage dumps, and greenhouses — all of which have widely different insect problems.

• • •

Sterilseats

Self-sanitizing toilet seats are made germ-free by ultra-violet rays. Unit operates hydraulically; is acid and rust proof. Other features include: 16-gauge steel housing, a "Moltex" sterilseat, and one-year guarantee on quality of materials.

• • •

Papermakers' Felts

Processing with "Lanaset" is claimed to double the life of papermakers' felts, thereby eliminating considerable "downtime" of machines for replacement of worn-out felts. Some U. S. mills are said to be increasing production 15%. The felts, used in mills to convey sheets of wet paper or paperboard while excess water is drained away, have been tested in fine paper, kraft paper, and paperboard mills.

• • •

Plastic Clamps

Clamp supports made of a tough plastic are claimed to be excellent insulators, ensuring against short circuit, withstand extreme temperature changes of 78 deg. F. below and 180 deg. above, unaffected by atmospheric conditions, prevents corrosion and sweating. Since material is pliable, it opens to any dimension to slide over wires, pipes, tubes, etc.

• • •

Plywood Panel

Repeated wetting, long-time soaking, or even boiling withstood by "Welchboard," new U. S. plywood with smooth, relatively hard, durable surface which will take fine finish for either inside or outside construction. Panels can be cut and fastened with ordinary carpentry tools.

• • •

Stops Mildew

Nuodex 100, new fungicide said to stop both surface-growing and cellulose-rotting types of mildew, is suitable for delicate fabrics, as well as wearing apparel, awning cloth, tarpaulins, or sail cloth. U. S. makers say product colorless, odorless, and economical to use.

• • •

New Oils

Cutting oils which prevent discoloration during the machining of high-conductivity, oxygen-free copper for radar and electrical equipment are being produced in two grades—one for high-speed operations such as automatic screw machines, and the other as replacement for and possessing the same viscosity as lard oil. They are being distributed in five to 50 gallon containers, claimed to be free of any tendency toward rancidity, and said to help protect machine operators against occasional skin troubles.

Do More Work Labor Urged

Building Workers Can Help Make or Break Prosperity — Nicholls

"Labor's responsible for a major part of the recent rise in cost of construction. It must face equal responsibility for reversal of that trend if jobs for building workers are to help hold anything like the present level of industrial employment."

So said Herbert C. Nicholls, reelected president, at the 13th annual meeting of the National Construction Council of Canada in Toronto last week.

"The most serious cost problem facing the industry is the reduction in productivity of the individual worker since 1939," Mr. Nicholls said. "The worker suffers from the reaction of the depression period, from war work, war worry and excessive age. We have had very little opportunity to introduce young blood during 10 years of depression and six years of war.

"Featherbedding" Denied

"But it's untrue that union leaders issue orders governing how much work a man or crew is to do per hour or day. That accusation is false, creates resentment, undoes the efforts of labor relations committees toward the harmony necessary to good production. Don't underestimate the effect on man-hour productivity of the shortage of competent helpers and shortage of material stockpiled in front of the worker."

To this, however, President Nicholls added warning. Referring to recent decline in building contract awards as evidence that companies, institutions, governments and individuals are balking at present high costs, he said: "Increased wages without rise in productivity can only mean further rises in construction costs. Labor can't hope to gain any real benefit from wage increases at this time."

Not Labor Alone

"If we are to stem the rise in cost of construction," Mr. Nicholls quoted President Albert Deschamps of Canadian Construction Association, "we must (a) increase individual productivity; (b) continue industrial peace; (c) postpone less essential construction; (d) return to firm price quotations by manufacturers and contractors; (e) achieve greater efficiency on construction site operations; (f) develop greater labor forces; and (g) reduce incentive-destroying taxation."

But what the construction industry needs as much as anything else, Mr. Nicholls said, is a carefully planned immigration scheme for both skilled and unskilled labor, and a much greater and more concerted interest on the part of contractors in apprenticeship opportunities now offered by Federal and provincial governments.

The Council—federation of national societies in and related to the construction industry—decided to ask Ottawa for renewed assurance the export quotas on nails and lumber are being enforced. This decision followed discussion indicating Canadian-made steel wire nails and sizes of B.C. fir lumber most in demand in the East are available in quantity and assured delivery oftener at U.S. border points than in Canada.

KNARF SIVAD EXPLORATION SYND. plans sending in a crew to commence surface work on property on east shore of Lake La Motte, Malartic twp., Que. Syndicate also owns 800 acres in Bachelor Lake area, northwestern Quebec.

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Saskatchewan Medical Co-op Has $83,982 Loss

From Our Own Correspondent

Saskatoon—Over 200 members of the Saskatoon Medical Co-op, meeting here, learned that it lost $83,982 on 1946 operations.

The association operates a prepaid medical services plan and a medical advisory committee, to provide advice on medical matters such as liability with respect to claims and acceptance of members.

Ask Initial Payment On Wheat Be Upped

From Our Own Correspondent

EDMONTON—Increase from $1.35 to $1.50 a bushel, in the initial payment for wheat, basis No. 1 at Fort William, and retroactive to include the 1946-47 crop, was demanded by the Interprovincial Farmers' Union Council here. The resolution cited higher world prices for wheat, since signing of Canada's agreement with the United Kingdom.

Speakers voiced belief that last autumn's farm delivery strike had been justified by subsequent price increases on barley, flax and hogs. (The Council is composed of representatives of the United Farmers of Canada and the Alberta Farmers' Union).

BELROSA MINES confined work in 1946 to surveying the property and making application for patent of claims. Current assets were $8,540 and liabilities $650 as at Dec. 31.

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GREAT CANADIAN NAMES IN THE WORLD OF SCIENCE

SIR WILLIAM OSLER

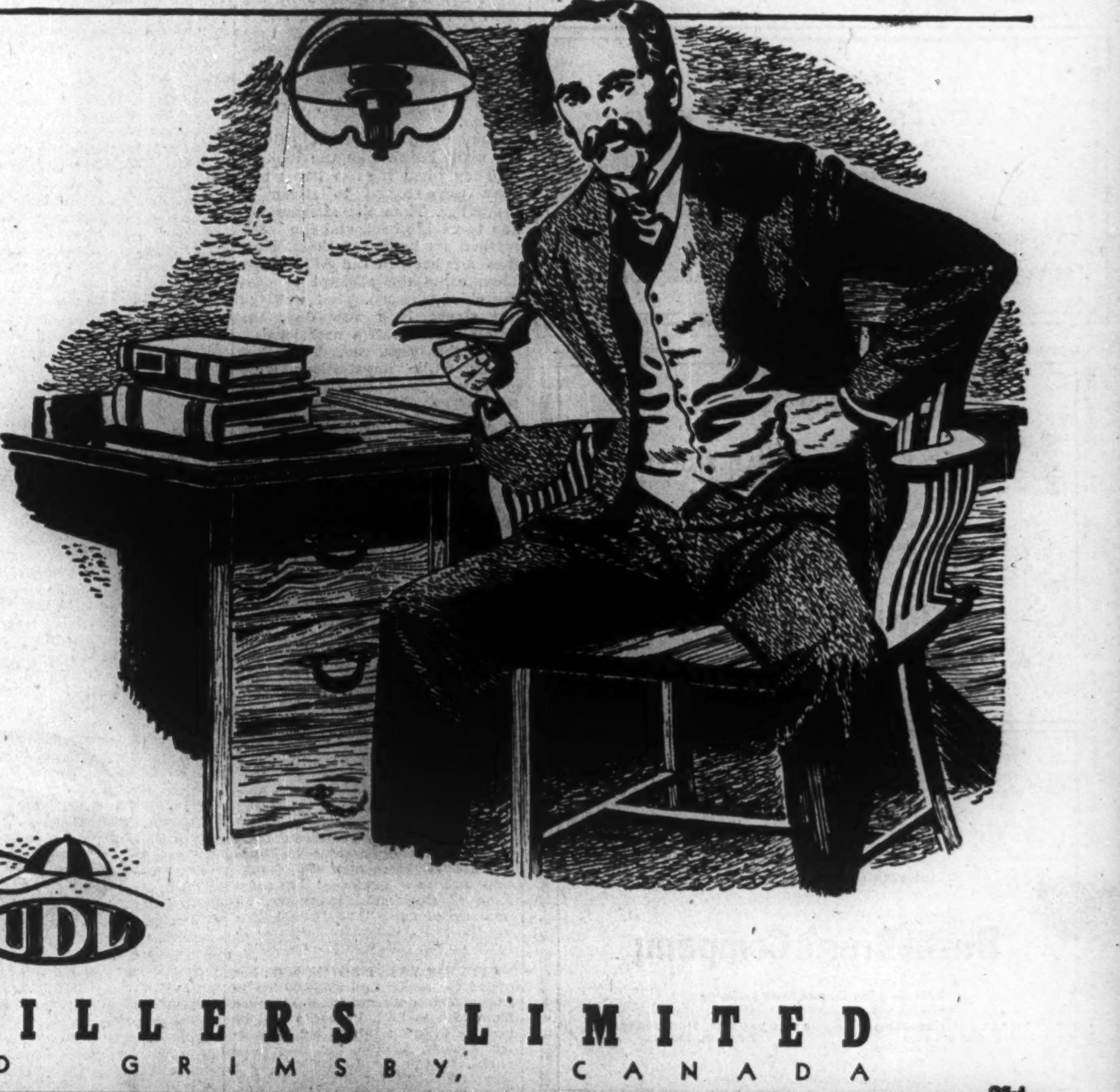
"I will never approach the temple of science in the spirit of the money-changer."

So spoke William Osler, "Saint of Science," once called "the greatest Canadian in Canada's history" by L. W. Brockington, K.C., in a speech before the Board of Trade at Vancouver.

Osler came of Celtic stock. He was born at Bondhead, Ontario, in 1849. He studied at Trinity College, Toronto, and McGill in Montreal. After European studies he returned to Canada and wrote "Principles and Practices of Medicine," a universally accepted work written in a prose style equal to the great masters of English literature.

In 1888 Osler became one of the founders of the Johns Hopkins University and helped build it to one of the great institutions of its kind. In 1904 he was appointed as Reguis Professor at Oxford, perhaps his greatest honor.

Osler died in 1919, beloved by all who knew him for his simplicity, his human qualities and because he was an inspired teacher.



Published as a contribution to the wider appreciation of the notable part that the scientists of this nation, twenty-ninth among the countries of the world numerically, have played in the drama of human enlightenment. Offered in the public service by . . .

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VANCOUVER AND GRIMSBY, CANADA

The Financial Post

Vol. XLI | Publication Office: Toronto, June 7, 1947 | No. 23

Time to Buy or Sell?

Experts See Stocks Up by Year's End But Many Factors Hit Current Trends

By JAMES H. JOYCE

Canadian stock markets should be on the upswing again at least by around the end of 1947, in the opinions of market analysts queried by The Financial Post.

These opinions are by no means unanimous. They range from the recommendation to be out of the market to be on the safe side, to the recommendation to start accumulating stocks. These differences illustrate the uncertainty which exists in the minds of all investors.

The majority, however, seem to look for a change over to a bull market by around the end of the year (their timing varies) in anticipation of an upswing in business by the first quarter of 1948. No one states definitely that the low for the market has been seen, but some suggest that the industrials, with individual exceptions, will not go much below recent lows. Two, in particular, recommend gold stocks.

Chief reasons for unsettlement would seem to be the uncertainty regarding business activity and earnings, foreign trade and the expected price adjustments. There does not seem to be any fear of anything that could properly be called depression.

A strengthening factor is seen in the volume of liquid funds awaiting investment and the number of investors awaiting an indication of a change in sentiment before buying. A period of stock accumulation may be immediately ahead, judging from their opinions.

The Financial Post query to a number of investment men was on the future trend of the Canadian stock markets and particularly "to say specifically what you would tell a client who might ask you whether he should buy or sell securities or stay out of the market, and to give the reason for your opinion." They were also asked to indicate when they expected the market trend to reverse.

Comments of these outstanding Canadian investment men follow:

Is this the time to be in or out of the market? When will the market trend reverse, and why? Here are the opinions of a number of investment experts, as gathered by The Financial Post.

W. D. Benson

R. Moat & Co. Montreal—W. D. Benson: It is my conception that Bear Markets almost without exception comprise two clearly defined phases.

The first phase of the decline which appears to have little basis for its occurrence, runs its course before any important decline takes place in business activity or corporate profits.

The second phase, which follows a natural interlude of recovery in which between 33-1/3% to 50% of the decline is retraced, gets up steam as actual tangible evidence of industrial contraction comes to light, and makes its low only slightly in advance of the establishment of the low point in industrial activity and corporate earnings.

It is my belief that the so-called first phase of the current Bear Market took place between May & October 1946, the Interlude or corrective upturn from Oct. 1946, to Feb. 1947, and that we have now entered the second and final phase, with declining indices of industrial activity, commodity prices and corporate earnings immediately ahead.

Inventories are commencing to back up on the wholesaler and manufacturer, as one industry after the other finds its pipeline filled and enters upon a phase of competition dependent on consumer demand. In this connection it is worth noting that approximately 10% of over-all production has been until recently going into inventory. Buyers' resistance continues in the ascendancy as demand for better quality at reduced prices gains momentum based partially on unwillingness and partially on inability to pay current prices.

To sum up I conclude:

(1) That time, perhaps six to nine months, will be required to carry out an adjustment in the price of products sufficient to make latent demand operative.

(2) That while some market recovery may be seen in line with seasonal influences prior to September, new bear market lows are clearly indicated in the stock market with a strong possibility that extremes may be reached in the third or fourth quarter of 1947.

(3) That the low in industrial activity may not be seen until the first quarter of 1948 and that any **important** stock market recovery is unlikely to precede this development by more than a few months.

(4) That corporate earnings are to be severely impaired but will be re-established in time by increased mechanical efficiency and greater willingness to co-operate on the part of labor induced by fear of unemployment.

At this time one cannot but recall the words of Winston Churchill uttered at the turning point in the Second World War—"It is not the end or the beginning of the end, but it is the end of the beginning." Applying the same line of interpretation to the current industrial situation, one might properly say: The end of the beginning has been passed, this is the beginning of the end.

As the optimists of yesterday become the pessimists of today, and as the storm comes into close perspection, let it be remembered that it is always darkest before dawn. The day has not yet arrived but it is drawing nearer, when the cash reserves which have been accumulated during the past year will provide a suitable means for the laying of a new foundation for participation in the next important recovery movement.

* * *

Courtland Elliott

A. E. Ames & Co., Toronto; J. Courtland Elliott: For clients whose principal interest is long-term capital appreciation in industrial common stocks my advice is to await rather clear evidence that a sustained upward move has begun. The downturn in the past year has been relatively moderate and there is no assurance yet that it has been completed. There is no need for trigger action and no sense in beating the gun.

For clients whose principal interest is dividend income, my advice is to commence regular monthly purchases of industrial stocks during the next year with a view to obtaining good average prices. My expectation is that no major depression is in prospect and that the stock market lows will be seen in the twelve-month accumulation period ahead.

* * *

Eric S. Morse

W. C. Pitfield & Co., Montreal; Eric S. Morse: While those who adhere to the Dow theory contend that we are in a bear market, the persistent strength shown in investment grade preferred stocks would indicate that further setbacks might be of limited scope. It would seem, therefore, advisable to consider the purchase of common stocks carefully selected in the groups most likely to maintain current earning power and in companies not involved in inventory problems. This group includes the paper stocks, the golds and the utilities. The old saying, "there is good fishing in troubled waters," seems to still ring true, and accordingly, selected issues from the above-mentioned group may possibly hold unusual speculative possibilities.

* * *

Frank G. Lawson

Moss, Lawson & Co., Toronto; Frank G. Lawson: A stockbroker who tells his client "to buy or sell securities or stay out of the market" is taking a little too much on himself. Our function is to present the facts as we see them and let the investor or speculator make up his own mind. Each client has his own particular problem. In most cases, income and safety of principal are the chief factors. A client who speculates wants a different set of facts from those required by the investor.

For the investor who needs income we recommend a continual scrutiny of his investments. Is the present dividend amply protected by earnings in view of the hazards of business? What is the record of management? Are they niggardly toward the shareholders or generous?

Today we recommended the following securities to a client for the reason that the yield is over 6%: the dividend was earned almost twice over last year, and currently the business is continuing on a high level: Canadian Breweries, Canadian Canners, Consolidated Paper, International Paper, National Steel Car and Sicks' Breweries. The management in each case is reasonably generous to shareholders and they increase dividends gradually.

There are several preferred and "A" stocks available to yield over 5%, amply protected by large earnings and good business prospects. The investor who needs income should consider the present bear market as an opportunity to buy sound securities at a good yield. That sort of advice does not imply that the stock market will go either up or down from this point.

* * *

Goodwin Harris

Goodwin Harris & Co., Toronto; Goodwin R. Harris: The market reversed its trend starting in May, 1946, but it was not until September that concrete evidence of the change became apparent. With a drop of almost 50 points in the Dow-Jones averages, it appeared plain to us that we could not expect any early reversal of prices. While many at that time were still bullish, we were forced to take a bearish attitude.

Early this year in a forecast to our customers, we gave the opinion that no change over to a bull market could be expected before the latter part of this year or possibly even later. This opinion has been based on the idea that readjustment has become necessary and the stock market has, as it always does, forecast such a development.

Three primary causes for depressed prices have been the necessity for placing foreign trade on a permanent and profitable basis; the clearing up of labor troubles, and the necessity for the reduction in many commodity prices and the costs of services. Just as soon as these problems have been met, the ground should be prepared for a new advance.

To our way of thinking, we are not headed toward a serious and long-drawn-out depression at the present juncture. It would appear to us that there is still too much in the way of demand for goods and altogether too many surplus funds available for investment when confidence has been restored.

Since no one can forecast accurately each definite turn in stock markets, all that can be hoped for is a generalized plan to follow based on conditions as they appear. We would be inclined to advise our customers at the present time to become mildly bullish and to start accumulating stocks during the next three to six months. Such purchases, in our opinion, should be confined to the better grade industrials and well established mines. As soon as the readjustment period now under way has been completed, the stock market should be again in an upward spiral. Possibly this will be discounted some while ahead.

* * *

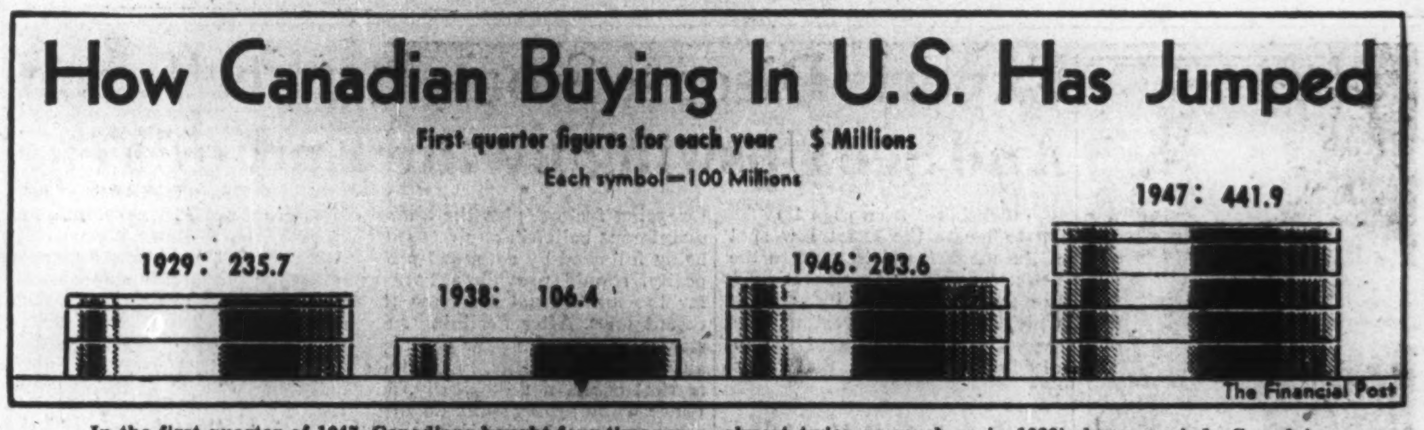
J. C. Rogers

J. C. Rogers & Co., Montreal; John C. Rogers: In holding back funds allocated for long-term investment in the hope of catching the bottom of this market, one hazard appears to us to be very important. At no time in history have we seen such a quantity of liquid cash, or equivalent, available for common stock investment, nor have we ever seen so many investors and speculators awaiting a change in sentiment which would give them a signal to buy. This last 12 months, speculators have voluntarily withdrawn from the market as compared with being sold out of the market in previous market breaks. In other words, purchasing power is at a very high level and should a change in sentiment come about, the demand for stocks would be very brisk in a situation where—in so far as the Canadian market is concerned—the floating supply of stocks is quite low.

We believe an upward trend in market quotations may be seen at any time within the next six months and when it comes it will likely be sharp.

The type of clients we deal with are more interested in the long-term investment of capital funds for growth and yield and are not, primarily, interested in attempt-

(Continued on page 14)



In the first quarter of 1947, Canadians bought four times as much in the United States as in the same period, 1938; almost twice as much as in 1929's boom period. Canada's figures are typical of U. S. peak trade with all countries

Canada Booms Its Buying in U.S. In Peanuts, Tractors, Cotton

By KENNETH R. WILSON

OTTAWA (Staff)—From peanuts to tractors, Canadians are buying more of almost everything from the United States. It is a part of our greatest spending spree; a spending spree in which the goods are flowing out of the U. S. at a rate alarming to even that mass-production nation; alarming because the other nations haven't the U. S. dollars with which to keep on buying the goods indefinitely.

The over-all picture for Canada is now well known. In March, 1947, Canadian purchases in United States are shown at $165.6 millions. That is a 65% jump over the same month a year ago. It is 400% greater than purchases in March, 1938. Even in the boom year, 1929, we only bought $100 millions of goods in the U. S. A. during that month.

Part of the gain was due to higher prices. Thus the 47 million pounds of raw cotton we bought from U. S. A. in the first quarter of 1947 cost us just under 30 cents a pound. The comparable price in 1929, according to customs returns, was only 20 cents; and in 1938 less than 10 cents.

But the real story can't be explained away in higher prices. It is told by a 30% increase in customs entries—even over 1946. Entries for 1946 were up 30% over 1944 and 1945.

I have looked over hundreds of individual returns for 1947 and the comparable items for 1938 and for 1929. What is disclosed is an "across-the-board" boom in Canadian imports from U. S. A. A boom which reaches into almost everything that seemingly can be bought today in that country.

Thus a big dollar item like crude petroleum shows 279 milllion gallons purchased in 1947 (first quarter) against 190 million gallons a year ago, 126 million gallons in the first quarter of 1938, and 150 millions in 1929. That's why we spent $13 millions on this item alone compared to a pre-war figure of $4 to $5 millions per quarter.

Radio Sets and Outboard Motors

Or coming down to everyday lines. Canadian visitors to United States brought across no less than 5,695 radio sets in the first three months of 1947. These were valued at $216,000. They were over and above "regular" commercial imports of 14,003 sets worth $428,000.

That means we spent almost $500,000 for 20,000 U. S. radio sets in these first three months. Back in 1939, when presumably U. S. radios were much more plentiful, the comparable expenditure was only about $150,000.

Or take outboard motors. In 1938 we brought in 376 in the first quarter of 1938. They had a customs value, according to trade returns, of $36,000. But last quarter our imports of this one item rose to 4,201 and cost us close to half a million U. S. dollars.

Similarly with pocket knives. In 1929 and 1938 our first-quarter imports of U. S. pocket knives cut no ice (or friendships) at all—about $2,000 worth. But in the first quarter of 1947 we bought $233,000 of this commodity alone in the U. S. A.

Even American automobiles, despite their scarcity, cost us $9.5 millions for the 7,400 we bought in the first quarter of this year. That works out at about $1,300 each, compared with about $900 which we are shown to have paid for the 12,772 passenger cars we imported in the first quarter of 1929. As well, we bought in U. S. A. 1,236 trucks and 176 buses at a further cost of $3.7 millions in January, February and March of this year.

Imports of Magazines

Another appetite which is growing steadily is that of Canadians for U. S. magazines, newspapers, etc. Back in 1929 first-quarter returns showed imports valued at $852,000. But in the first three months of 1947 these same imports cost us $3.1 millions—a steady increase over corresponding figures of $2.7 millions in 1946 and $1.8 millions in the first quarter of 1938.

Among the few items to show both dollar and volume declines for the first three months of 1947, compared with 1946, are grapefruit and oranges. We purchased 39.4 million pounds of grapefruit at a cost of $800,000 in the first quarter this year, according to customer returns. A year ago the corresponding figures were 46.7 million lbs. costing $1.4 millions. Similarly with oranges. Cubic feet of imports dropped from 3.3 to 2.8 million and total price was down from $7.0 to $4.4. Imports of peanuts, on the other hand, trebled to 26.8 million pounds at a cost of $4.1 millions in the first quarter of 1947.

Canadian farmers were busy buying a record number of tractors among other things. Thus the first quarter figure for 1947 is 9,415 at a cost of $10 millions. That's double the dollar value of last year's purchases in the same period. It is three times the cost in the corresponding months of 1938 and twice the 1929 first quarter buying.

Looking at the over-all picture again, quite the most striking gains were in the two classifications: "Iron and its Products" and "Fibres and Textiles." The main groupings compared for the past two years and for 1938 and 1929 follow:

Main Groups of Canadian Purchases in U. S. A.

(In Millions of Dollars)

	First Quarters of 1947	1946	1938	1929
Agricultural products:				
(a) Foods	27.4	28.6	8.5	14.4
(b) Nonfoods	11.0	6.9	3.6	13.1
Animal products	15.3	10.2	3.3	12.1
Textiles, fibres, etc.	67.3	28.9	8.6	26.6
Wood, paper products	19.2	14.7	7.0	13.6
Iron and products	151.8	83.3	35.8	88.0
Nonferrous metals, etc.	27.4	17.4	7.1	18.7
Nonmetallics	68.6	54.5	19.4	31.4
Chemicals	23.7	19.8	5.2	6.5
Miscellaneous	29.3	19.1	8.0	11.4
	441.9	283.6	106.4	235.7

Another revealing breakdown shows purchases of key "raw materials"—coal, oil, cotton, unbleached cotton fabric. These four alone cost over $63 millions—a sharp increase over 1946 and markedly above anything Canadians previously spent on these items. Comparative figures follow:

Leading Material Items Imported from U. S. A.

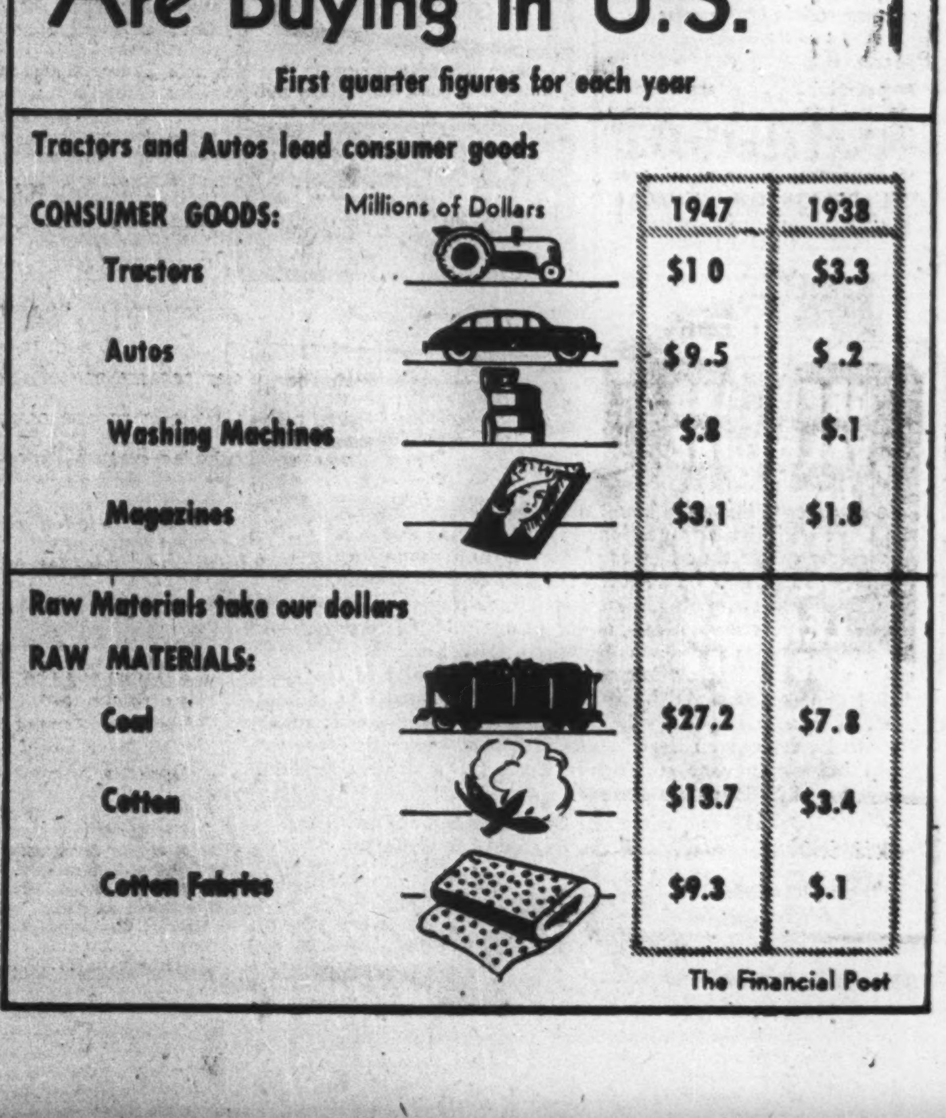
	In First Quarters of: 1947	1946	1938	1929
Coal:				
Bituminous (million tons)	4.9	5.5	2.5	3.6
Value ($ millions)	18.2	20.2	4.8	6.6
Anthracite, domestic (tons)	884,000	696,000	498,000	744,000
Value ($ millions)	9.0	6.9	3.0	5.9
Raw cotton (million lb.)	47.1	41.4	35.1	48.3
Value ($ millions)	13.7	9.4	3.4	9.8
Cotton fabric (unbleached):				
Million lb.	10.9	3.7	.7	13.1
Value ($ millions)	9.3	2.1	.1	1.4

A final table shows typical purchases by Canadians in United States consumer goods like washing machines, refrigerators, automobiles, radios, etc. These itemized purchases are exclusive of items brought in by tourists themselves. Even though it was not the tourist season, imports under this heading alone were $2.2 millions as shown in the last item in the table below. Within this classification the main individual item as reported in tourist declarations was $915,000 of clothing—an 80% increase over 1946 and 1938 entries.

Canadian Purchases from U. S. A. (Typical Consumer Goods)

	In First Quarters of 1947	1946	1938	1929
Tractors:				
Number	9,415	5,759	4,124	6,086
Value ($)	10,000,000	5,100,000	3,300,000	5,000,000
Washing machines:				
Number	9,828	1,427	2,951	6,398
Value ($)	850,000	97,000	139,000	440,000
Vacuum cleaners:				
Number	6,227	1,076	1,624	1,443
Value ($)	209,000	55,000	24,300	43,400
Pocket knives, value ($)	233,000	25,800	2,000	2,100
Outboard motors (number)	4,201	106	376	**
Refrigerators:				
Number	6,388	1,131	5,352	2,402
Value ($)	894,000	120,300	331,000	353,000
Radios:				
Number	14,003	891	2,006	**
Value ($)	428,000	53,000	51,000	**
Automobiles:				
Number	7,398	1,350	172	12,772
Value ($)	9,500,000	1,200,000	249,000	11,300,000
Magazines, newspapers, value ($)	3,100,000	2,700,000	1,800,000	852,000
Tourist purchases, value ($)	2,209,000	1,079,000	1,090,000	**

**Not available on comparable basis.



Ex-car Thief Tells How It's Done

Forged Papers, Pieces of Wire Chief Needs, Declares Expert

How many cars are stolen and recovered every year in Canada? That seems like a relatively simple question but no one in the Dominion has the answer. This latest article in The Post's series on how crooks work focuses attention on the shortcomings of our decentralized licensing system which makes interprovincial traffic in forged registration cards a simple matter.

As Told to Ronald Williams

Stealing cars was my business. I guess in my short career of eight years, I stole 100 automobiles. All told I made about $25,000. My best year was 1945: I made $12,000. The war helped my business too; but I also got caught and sent to Kingston for two years. That was my third stretch and my last. Now I'm going legitimate; I'm going to work.

But going straight will be quite a battle. Car stealing is such a soft touch. When I think of how careless car owners are and how little centralization there is for keeping track of cars, it's a wonder twice as many aren't stolen. All a guy needs is a little nerve, a bit of mechanical knowledge, a piece of wire and perhaps a screwdriver. The trusting car owners supply unlimited opportunities.

Here's an example: I was on the prowl in a city in central Ontario. I won't say which; the poor fellow whose car I hooked might recognize the details. Anyway, I was driving along the main street looking for a prospect. Ahead of me was a '41 Plymouth. Suddenly it turned into the curb, parked anglewise. The driver jumped out and went into a store. He not only didn't lock the door, he didn't even stop the motor. It was too easy.

I parked alongside, got out of my car and got right in his and drove away. Just outside the city limits, I took off his license plates and put on a set I'd got earlier. Then I casually drove home as if I owned the car, doctored up a registration card to fit it then drove to Kingston.

I put an ad in the paper and next day sold it for $1,200 to the first guy who came along. He didn't even hesitate. Why would he? Cars were hard to get. This one had new tires and had only done 19,000 miles. It was almost new. Then I had a bill of sale; phony of course, but how was he to know.

No Lien Against Old Car

The forged registration card had been issued at Kingston. I even suggested to the buyer that he call the Kingston registrar and see if the car was clear—no liens against it—just to show him I was on the level. But he didn't question it. Even if he had, I was in the clear. The registration card had been taken out for an old '31 Essex which at that moment was in a wreckers. Of course there wasn't a lien against it. All I'd done was erase the registration details of the Essex and type in those of the Plymouth.

That chap is probably still driving that car and doesn't know to this day that it was stolen. Then I turned right around, stole a Ford in Kingston, went through the same procedure and sold it in Toronto for $900. Not bad; $2,100 clear profit in three days!

That "do" was a bit out of the ordinary; it isn't always that simple. A lot of people get out of their cars and leave them running but a thief doesn't happen along very often at the same time. Usually, he's got to bust the door somehow. That's where the screwdriver comes in handy. There isn't a no-draught ventilator that can't be beat. Once that's done, you're in. Then it's just a case of short circuiting the ignition and you're away.

Most ignition locks are a farce as far as protection against theft. I don't know what the locks on the new cars are like—I've been out of circulation since 1945—but a lad who came in just before I left—he got seven years—told me they're a cinch.

That means a simple "jumper"—that's our word for a bit of wire—is all that's needed to start the average car. By average, I mean the popular makes. I wouldn't any more touch a Cadillac or Packard or any kind of flashy convertible than I'd play around with a bomb.

Of course, that only applies to people who steal cars to sell them. Guys who swipe a car for transportation to bust open a safe, will take anything. Like the crowd that stole the mayor of Toronto's Cadillac. I wouldn't have touched a conspicuous heap like that with a ten-foot pole. It would be almost like going up to a cop and asking to be arrested.

Foolproof Ignition Lock

But to get back to ignition locks: what's to stop the maker installing a sealed lock and encase the ignition wires leading from it to the distributor in a steel, foolproof line? It might cost another $20 but what's that when you've got a $1,500 investment to protect? That would stop thieves tampering with the ignition lock itself. What's the use of having a lock if all you have to do to beat it is undo a couple of screws under the dashboard and connect the wires together?

But even a sealed ignition lock isn't enough. It would make stealing a bit more

(Continued on page 16)

R. E. KIRBYSON

W. K. Dalglish, President of Dalglish Chemicals Limited, announces the appointment of R. E. Kirbyson as Vice-President in charge of sales, advertising and marketing. Dalglish Chemicals Limited is a division of Standard Chemical Company, Limited

Experts Discuss Stock Market Trend And See Upswing by the End of Year

(Continued from page 13)

ing to locate the exact low spot of the market, not to capture the peak. The first consideration is the stability of the industry in which they are investing, and secondly, the position of the individual company in that industry.

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Frank J. Kelland

Crabtree & Co., Montreal; Frank J. Kelland: While there is no conclusive evidence yet that the year-old bear trend has ended, it is our opinion that the incipient decline in corporation profits has been discounted sufficiently to encourage partial use of reserve buying power in the purchase of selected equities. The most widely held view seems to be that unfolding of a business recession must be accompanied by another substantial downleg in the bear market for stocks. This would be a normal exception in the light of preceding bear market precedent, and it is easier to agree with this line of reasoning than to deny it. But the market rarely does exactly what the majority anticipate. When the case for either side of the market appears unusually clear-cut, it is often profitable to explore carefully for counter-arguments.

The time factor tends to favor the bull side. The market has been discounting business recession for a full year, paying little or no attention to rising business profits during the interval. It would be a human weakness for traders to overdiscount the recession during such a long period of anticipation and there is some evidence that they have done so. Industrial stocks displayed surprisingly good resistance to the May selling wave, and the refusal of the Dow industrials to confirm the rails' bear signal suggested the type of divergence which has often developed in these averages at major turning points. Also, there has been a considerable increase in short-selling, particularly by odd-lot accounts, which likewise suggests that bearish sentiment may have been overdone. Finally, a similar story is told by high dividend yields and low price-earnings ratios for stocks against the assured backdrop of low bond yields. Unless the decline in business profits is to be steep and prolonged, stocks are cheap statistically.

The weight of evidence argues most strongly against a severe and protracted shrinkage of profits. The business community has had an extraordinarily long period of warning in which to avoid excesses requiring drastic correction. Some prices need adjustment, but increased productivity could provide a considerable offset in preserving reasonable profits. The magnitude of demand for goods the world over is unquestionable. Absence of credit stringency, and unprecedented distribution of increased consumer incomes, do not point to a collapse of domestic buying unless a shortage of dollars outside the United States hits that country's exports severely. Such a contingency should reasonably be averted by the overwhelming urgency of political and economic considerations forcing the United States to render the necessary assistance to Europe.

We do not rule out the possibility of somewhat lower stock prices. But in our opinion the foregoing factors, plus the almost unanimous belief in any recession being followed by extended prosperity, should provide a bottom for the market not far from the recent lows. After declining substantially during a year of buoyant business profits, the stock market could, not illogically, advance while profits settle down to more normal levels, if our appraisal of the business outlook is correct. That is why we feel that cautious buying can be resumed on a scale up or down.

• • •

Trends and Timing

Trends & Timing Ltd., Toronto: Our opinion with regard to the market has not changed since we sent out our first warning of the present business recession in our weekly Comment Letter of Dec. 28, 1946. At that time we advised our clients to sell in January and February of this year, "deferring the major portion of their selling until the latter part of the period." Our Feb. 15 letter was even more specific when we wrote "To be on the safe side, you should be out of the market by the end of February."

Our advice to buy or sell always depends on the condition of the economy of the country, which we determine through use of the published banking figures. These we record week by week in our Composite Bank Line which has done a remarkably good job for some years. As market trends are determined by economic conditions, we have a guide which is impersonal, reliable, continuous and not affected by newspaper headlines or board-room gossip, nor is it dependent on anyone's intuition or ability to guess correctly.

It is probably because the Bank Line registers changing conditions before the public realizes what is going on, that our advice to buy or sell is very frequently contrary to popular opinion. Last spring, for instance, when our Bank Line had declined for 22 successive weeks and the New York Industrial averages were at 212, we said in our May 4 letter "If you have followed the indications of the Composite Bank Line, you have done all your selling and are now sitting with cash." This is the kind of advice one did not very often hear at a time when predictions were freely made that a 300 level for the New York industrials was the next target. What did happen, however, was that in August and September the markets belatedly recognized the declining economy, which in the end must be a controlling factor, and in about three weeks of selling, 10 months' gains were wiped out.

Once again markets are disregarding business conditions, which, according to the Composite Bank Line, have been on the downgrade for 30 weeks, and our 21-year chart shows pretty conclusively that the longer a market refuses to conform to an economic trend the more drastic will be the correction when it does come. Common sense, therefore, dictates safety-first measures now, and those who adopt this precaution will more than likely have an opportunity later in the year to repurchase stocks at lower levels, thereby making for themselves a capital gain by saving money.

• • •

Analyst A

Toronto, Analyst A: This analysis of the position of the stock market has not varied greatly from that given you in October, 1946. Therefore, in the comments set out below quotes will be used when repeating statements made on that occasion.

With the possible exception of the Canadian golds "only investors who are in the strongest financial position should buy even blue chips in this market." While the Dow Jones index has fluctuated in a range between 163 and 184 in the nine months since October, 1946, a trader would have had to have been very nimble to have made profits in this period. Summarizing—if our recommendations had been followed all speculative holdings would have been liquidated by the end of the first quarter of 1946. Indeed, it would probably have paid to keep only the soundest industrial stocks and cash or bonds during the ensuing fourteen months.

In business the "profits squeeze which has to date affected some industries more seriously than others" is now self-evident. The soft goods sellers market is over, the construction industry has largely succeeded in pricing itself out of business, the consumer section of the durable goods industry is well past its peak and only the true heavy industries as a class are continuing to operate at capacity. Our export markets have been seriously threatened by the dollar crisis, and a decision has to be made shortly as to whether we will continue to give goods away to countries having weak currencies and thus underwrite the profits of many of our export industries.

"It is believed that further deflation and shake-out not only in the stock market but in the prices of commodities and wages will be necessary before the sound ground is reached from which a more constructive, if slower advance can be made." If comprehensive business indices reach lows in the fourth quarter of 1947 or the first quarter of 1948 "the industrial stock market lows should be reached in the latter part of 1947."

While the action of the Canadian industrials should directly mirror the action of the New York industrials, it is believed that the Canadian golds will some time next year show independent strength in the face of a further decline in the industrials. It is still believed that the Canadian golds will be a buy some time in the current year. The buying period above described will likely take place after a bad break in the New York stock market. The gold lobby now under way should have so impressed the Ottawa purchasing power economists of the importance of this industry to the Canadian economy that relief of a substantial kind should be forthcoming by the fall of 1947.

• • •

Analyst B

Toronto, Analyst B: There is little doubt that we in Canada in common with the United States, are going through a much needed adjustment. By autumn it is probable there will be more involuntarily unemployed than at any time since the beginning of war. Wholesale and retail prices in many instances are bound to drop though not to pre-war levels. Corporation earnings for the last half of 1947 are almost certain to be lower than for the preceding year.

In spite of the above I do not expect the industrial markets will sell materially below recent lows though there will be some exceptions. The market decline during the second half of 1946 and early this year has, in my opinion, discounted a great deal in the case of certain industries such as automobiles, auto accessories, construction, newsprint, base metal mining, gold mining, etc. One cannot expect much recovery in the price of industrials for some months but I believe that the purchase of specially situated sound investment securities is warranted and advisable during periods of market weakness.

I personally believe that the gold mining industry after four years of severe difficulties has reversed its downward trend. The quantity and quality of labor available for mining has sharply increased in the past six months and despite increased wages, operating costs are dropping as production increases. The purchase of the better senior and junior golds at prevailing prices is recommended. The international monetary situation lends additional attraction to this group.

Base Metal Hoarding Charge Arouses Ire of Fabricator

Charges voiced in the May 28 issue of a Canadian mining paper that "hoarding of copper, lead and zinc continues at a high and disturbing rate" in anticipation of lifting of the price ceiling, have aroused the ire of J. S. Vanderploeg, general manager of Anaconda American Brass Ltd. He declares that in so far as his company is concerned, the charges have no foundation, in fact, rather the contrary.

In a letter to the editor of the mining publication—a copy of which was forwarded to The Financial Post—Mr. Vanderploeg gives his views as follows:

"I note from your May 29 issue that you're 'at it again.' So far as we're concerned at least, it makes us blankety-blank mad to read those accusations of hoarding, stockpiling, etc. Our total of stock-in-works, scrap and raw material is only about 20% higher than it was Sept. 1, 1939, whereas our shipments are running over twice what they were before the war. Comparatively speaking, therefore, we are under rather than over stocked.

"If we had bought in anticipation of the rise late in January (which we didn't), it would be logical to assume that our purchases had dropped off afterward. We are maintaining an even keel, however, to match our shipments. If you would like to come out sometime, I shall be glad to show you the figures.

"As a matter of fact, it would be impossible for us to stock-pile, because the raw material people have us on quota, just as we find it necessary to allocate our own production.

"We pay the export price for that part of our business, in fact have paid it since sometime during the war.

"Our domestic prices on sheets, rods, tubes, etc., are considerably lower than in the States and England. This is true not just because of lower prices we pay for raw metals, but because we add less for fabrication by several cents per pound than our foreign competitors. There has thus been no 'gouging' on our part because of partial (not complete) decontrol of our prices. We pay less, though not a great deal less, for labor than in the States, but considerably more than in England. Certain supplies also cost less here, but these advantages also accrue to the mines, just as the lower living costs here compared with the States help to offset the lesser rate labor is paid.

"As I have written you before on this subject it may all sound like 'old stuff' to you, but so long as you have raised the issue again, I hope you will agree, as you did the last time, that the criticisms voiced in your columns do not apply to us."

WAC Sales Total Is $363 Millions

MONTREAL (Staff)—More than $363 millions has been collected by War Assets Corp. from sales from 1944 until the end of April, 1947, it is announced. Total sales for April were $9.7 millions. Receipts from the sale of various commodities were:

Ships	$107,421,000
Automotive equipment	61,515,000
Mach. & machine tools	47,183,000
Real estate & bldgs.	39,686,000
Clothing & textiles	27,568,000
Metals	13,767,000
Electrical goods	12,857,000
Aircraft & equipment	8,525,000
Scrap	8,492,000
Miscellaneous	36,310,000
	$363,324,000

Sales Hold Up For Silknit Ltd.

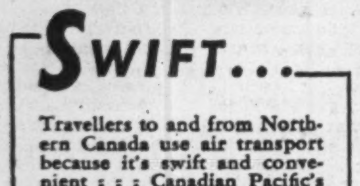
Volume of sales of Silknit Ltd. for the first five months of 1947 was slightly higher than for the corresponding period of 1946, President M. H. Epstein told the annual meeting. It is anticipated the increased rate of business and the company's extremely favorable position in the trade will be fully maintained, he said.

The Canadian company is still encountering problems relating to supplies of labor and material. Management is fully aware of the resistance to sales which has entered some branches of Canadian industry and is carefully watching all developments, the president stated.

The Canadian company showed substantially increased operations for 1946. Business was very active during the entire year, with demand for company's products far in excess of capacity; and also as a result, sales volume far exceeded any previous year. Operations of the English company were substantially improved and profits, after all write-offs, were greatly increased. The high level of taxes in Australia permitted only a slight increase in net earnings there.

WAR ASSETS CORP. sold $247,000 worth of aircraft during April. Surplus aircraft sales since inception total 2,037, aggregating $8,525,000.

WAR ASSETS CORP. Sales of lands and buildings in April were No. 1 Accommodation Building, New Sarum Airport, Elgin county, Ont. sold to the city of St. Thomas for temporary hospital facilities; No. 2 shop, Cartridge Case Plant of the Canadian Motor Lamp Co., Windsor, sold to Garden Tractor & Equipment Co.; Oak St. Armories, North Bay sold to Northland Motors.



SWIFT...
Travellers to and from Northern Canada use air transport because it's swift and convenient : : : Canadian Pacific's modern air liners link city, mining outposts and industrial centres.
SCHEDULED FLIGHTS AND CHARTER SERVICES
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THE Windsor
ON DOMINION SQUARE
J. ALDERIC RAYMOND, PRESIDENT

JAMES W. SEWALL COMPANY
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Main Office: OLD TOWN, MAINE
PHILLIPS & BENNER RUTTAN BLOCK PORT ARTHUR, ONTARIO
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Protect Your GREENHOUSE
Keep your greenhouse in top shape with Toxo, Majorglaze and Majorcaulk. Consult us to-day.
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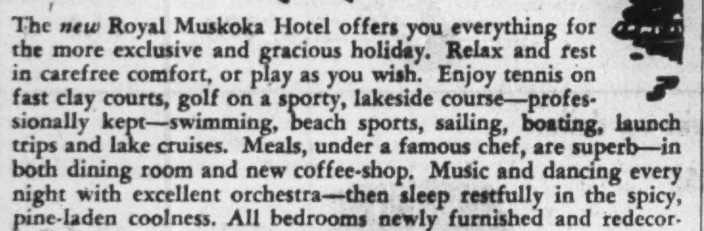

The new Royal Muskoka Hotel offers you everything for the more exclusive and gracious holiday. Relax and rest in carefree comfort, or play as you wish. Enjoy tennis on fast clay courts, golf on a sporty, lakeside course—professionally kept—swimming, beach sports, sailing, boating, launch trips and lake cruises. Meals, under a famous chef, are superb—in both dining room and new coffee-shop. Music and dancing every night with excellent orchestra—then sleep restfully in the spicy, pine-laden coolness. All bedrooms newly furnished and redecorated. The new Royal Muskoka—under the management of the famous Fort Montagu Beach Hotel at Nassau—extends every personal interest in your comfort to make for a distinctive, long-remembered holiday.
For reservations, or for Convention facilities, telephone ELgin 6552, Toronto, or write to:
THE NEW Royal Muskoka HOTEL

The ADMIRAL BEATTY
Modern, Fireproof.
With bath from $3.30
Reservations advised.
SAINT JOHN, NEW BRUNSWICK

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Let our Engineers and Experts establish the new, replacement and depreciated values of your plant and equipment.
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This historic inland waterway of the voyageurs has become one of Ontario's most popular vacation areas. Swimming, sailing and canoeing enthusiasts delight in its varied waters, and the fisherman, too, finds plenty of scope for his skill. North from Cornwall, Brockville or Kingston, off highway No. 2, brings you to this beautiful lake district of Eastern Ontario. For fuller details, write Ontario Holiday, Room 1004, Victory Building, Toronto.

TOURIST BUSINESS IS GOOD BUSINESS . . . FOR EVERY CITIZEN
We all profit when tourists come to our province or country. Even if you have no connection with hotels, oil companies or amusements, their increased business helps you. They and their employees have more money to buy your products or the ones your own customer sells. So it's in your interest to plan your holiday in Ontario, and to do all you can to encourage friends from other parts to come and share our Ontario Holidays.
"Let's make them want to come back!" Labatt's
One of a series of advertisements about Ontario Holidays published in the public interest by John Labatt Limited

SEE your Canada
Canadian National, the largest railway in North America, can take you everywhere in Canada . . . from the surf-washed shores of the Atlantic to the evergreen Pacific coast.
There is a type of train travel for every purse and purpose . . . berth or enclosed space, coach or chair . . . and for everyone, Canadian National courtesy and service.
Get to know your country via C.N.R. . . . the comfortable, dependable way to travel.

CANADIAN NATIONAL
THE RAILWAY TO EVERYWHERE IN CANADA
Let us help plan your trip
Drop in at any Canadian National ticket office and talk it over. We will be pleased to help you.

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Branches throughout Scotland
LONDON OFFICES:
3 Bishopsgate, E.C.2
8 West Smithfield, E.C.1
49 Charing Cross, S.W.1
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BEARDMORE Leather Belting DRIVES BEST
BEARDMORE & CO. LIMITED

Chartered Banks Open New Branches Modernize Buildings and Furniture

Canadian chartered banks had 3,257 branches in Canada on April 30, the latest issue of the Bank Directory of Canada reveals. This is just about 133 more than the year before and 173 more than just before the end of the European war. In May alone, 14 branches were opened, the actual number for the month being probably incomplete as all returns were not available when the book was published.

The figures show the extent to which the banks have replaced approximately 200 branches closed during the war. (On Jan. 1, 1942 the banks had about 3,299 branches in Canada.)

In many cases, however, the branches that have been opened in recent months are entirely new offices, the number of former branches that have actually been reopened being relatively small.

In Smaller Places

While a few of the new branches are in larger cities, many are in smaller centres to serve agricultural, mining lumbering or tourist activities. Thus of the 14 new branches shown in the May directory, three were in Toronto, one in Halifax, the remainder being in smaller towns and villages. The 14 branches were distributed over seven banks.

In some places the new branches are designed to take care of new industrial developments. This is the case especially in larger towns.

In others, however, they appear to anticipate increased demand for bank services in communities which although with only a moderate or small population are well established.

Three factors that have pointed to a heavier demand for bank loans in smaller centres are the National Housing Act, Farm Improvement Loans Act, and the Veterans Business and Professional Loans Act.

In many instances, however, the increased demand for credit has not developed yet. This has not been due to any disinclination of the public to borrow under these acts. But the purposes for which loans under the legislation must be made include home building, improvement of farms and the purchase of farm implements and electrical equipment, and of equipment for veterans enterprises, shops, factories, etc.

Shortages Delay Plans

But to date, planned operations have frequently been postponed because of shortages of materials, goods and labor. For example a strong demand for farm electrical appliances, plants, etc., is expected just as soon as they become available in bulk.

Meanwhile the banks have been busy obtaining buildings for the new offices. In some quarters it is claimed, the number of new branches would be still larger had suitable quarters been readily available.

Some of the new offices are former store or office buildings that have been remodelled but in other cases, where possible, entirely new buildings have been built.

In either case, however, the banks almost uniformly have followed a more modern plan of building and interior layout.

For example, many of the newer buildings get away from the temple or mausoleum type of building so popular a few years ago. Rather is the tendency to give a stream-lined effect, with greater attention being paid to good lighting, convenience for customer and staff and general comfort.

Tellers' Cages Open

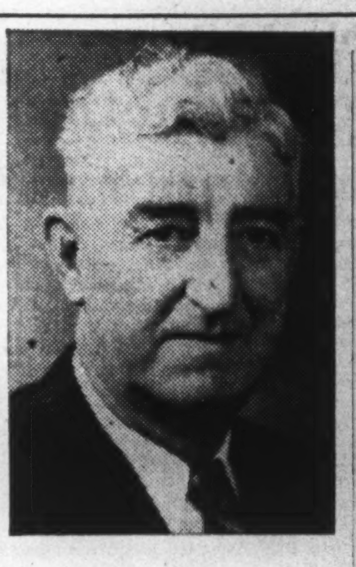
Wide heavy dark furniture has given way to lighter-colored less forbidding counters and desks. Tellers cages are now frequently without bars. But where bars are considered necessary, the cage is low and the metal work light colored and attractive in appearance.

It was felt that if a gang of determined bandits held up a bank, the heaviest teller's cage was little protection against a man with a gun. Few bank robberies in recent times have been featured by a robber grappling with a teller physically.

In even some small branches, rest and lunch rooms are provided for the staff both male and female.

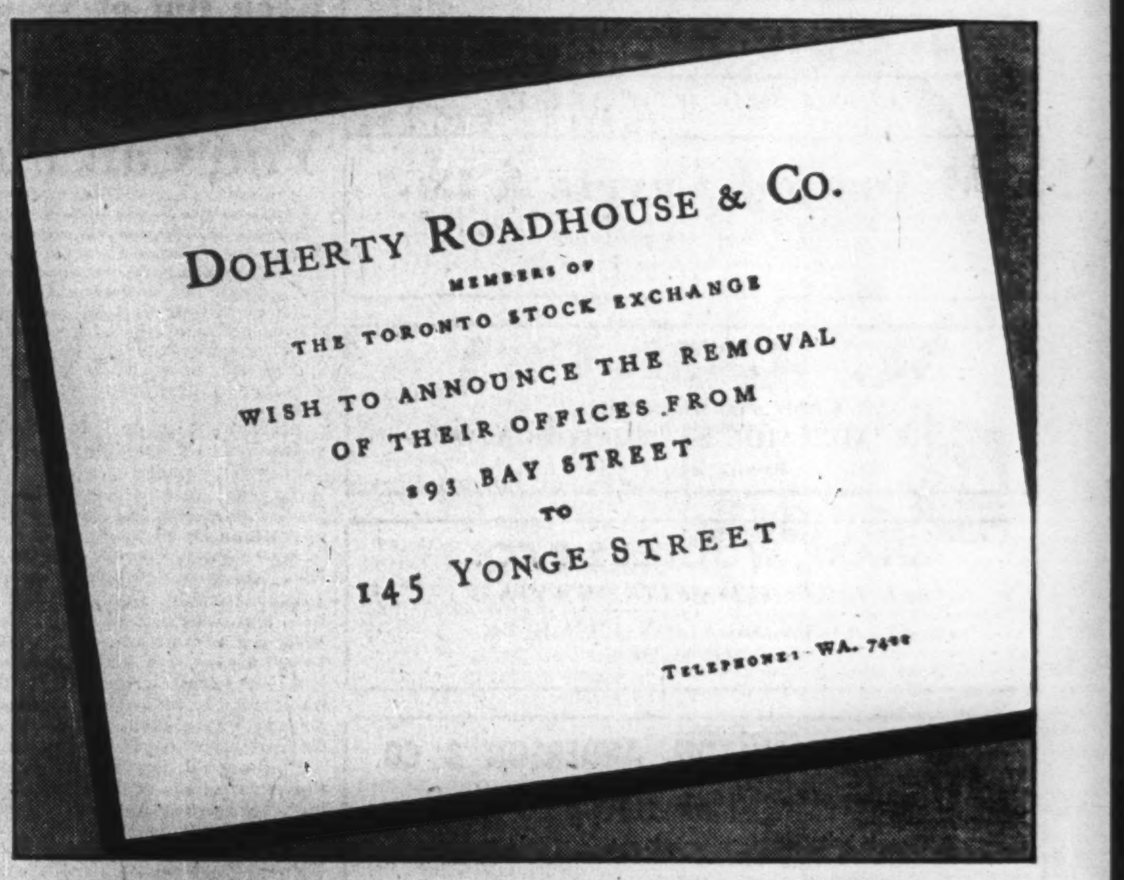
Many branch managers are complaining of the lack of male employees of the age that would ordinarily have entered the banks' service during the war years, say from 1940 to 1945. After the war ended the banks were able to take on male employees again but the fact that for four years the number of men employed was relatively small, means a shortage of officers which normally would now have four or five years experience and be able to take on more responsible jobs.

To some extent, however, this is being remedied by the installation of more mechanical equipment in branch offices, adding machines, calculators, etc.



W. U. SMICK

has been appointed Vice-president of engineering construction of The Foundation Co. of Canada.



Common Split For Monarch Knitting

A special general meeting of common shareholders of The Monarch Knitting Co. will be held in Toronto on June 11, 1947, to consider a change in the company's capital structure. Holders of each of the presently outstanding 102,000 common shares will receive one new class "A" share without par value and one new common share without par value for each existing common share held.

Class "A" shares will carry a fixed cumulative preferential dividend of 60c. a share per annum, payable quarterly and accruing from July 1, 1947. It is expected that quarterly dividends of 10c. a share will be declared on the new common shares for the balance of the current fiscal year.

The plan will provide for increasing the authorized capital by an additional 98,000 class "A" shares and an additional 98,000 common shares, bringing total authorized amount of class "A" shares to 200,000 shares and of common shares to 200,000. The amount outstanding of each class, however, will be only 102,000 shares. No new financing is planned and no underwriting or public offering of either stock issues is involved.

CAMSELL RIVER SILVER MINES is reported to have obtained 8 ft. of mineralized silver in first drill hole put down on its Great Bear Lake property.

1947 Debits Up 3.7% Over 1946 Chatham Leads with 35% Advance

Bank debits to individual accounts at clearing house centres, considered one of the best indications of business activity, show Chatham leading all Canada with an increase of 35% in the first quarter of 1947 over 1946. Victoria was next with a rise of 33.5% and St. Catharines next with 25%.

The over-all Canadian level was 3.7% above the first quarter, 1946. This represented total cheque transactions of $23,592 millions compared with $22,759 millions a year ago.

Of the 33 cities surveyed, only four showed a business falling off. They were: Ottawa, 33% below 1946; Edmonton, 4.9%; Toronto 3.9% and Moose Jaw, just 0.2%. Kingston just held its own, showing neither gain nor loss.

Regionally, the biggest increase occurred in British Columbia; 17.6%. Next in order: Quebec, 16.9%; Maritimes, 9.6%; Prairies, 3.2%; Ontario, down 6.7%.

Here are the first quarter totals in millions of dollars for 1947 and 1946 with the percentage increase or decrease, as reported to DBS by the various clearing houses.

(In millions of dollars)

	1947	1946	%
Maritimes			
Halifax	$260.6	$244.0	+6.8
Moncton	93.6	82.7	+13.2
Saint John	161.8	144.1	+12.2
Total	516.1	471.0	+9.6
Quebec			
Montreal	6,958.1	5,929.0	+17.4
Quebec	587.3	525.2	+11.3
Sherbrooke	65.0	57.1	+13.8
Total	7,610.5	6,511.3	+14.1
Ontario			
Brantford	97.9	83.7	+17.0
Chatham	78.0	57.7	+35.0
Fort William	61.6	53.5	+15.1
Hamilton	506.4	456.9	+10.8
Kingston	64.8	64.8	even
Kitchener	137.2	118.5	+15.8
London	306.1	279.2	+9.6
Ottawa	1,365.5	2,037.8	—33.0
Peterborough	67.7	58.6	+15.5
St. Catharines	92.9	74.0	+25.6
Sarnia	81.5	70.8	+15.0
Sudbury	54.6	43.9	+24.3
Toronto	6,818.3	7,097.2	—3.9
Windsor	327.5	283.0	+15.4
Total	10,060.6	10,781.1	—6.7
Prairies			
Brandon	30.1	29.0	+4.0
Calgary	520.2	467.9	+11.2
Edmonton	393.2	413.5	—4.9
Lethbridge	51.4	44.3	+15.8
Medicine Hat	26.2	21.8	+20.1
Moose Jaw	57.2	57.4	—0.2
Prince Albert	34.6	31.8	+8.6
Regina	311.5	274.2	+13.6
Saskatoon	109.5	105.4	+3.9
Winnipeg	1,833.2	1,817.0	+0.9
Total	3,367.4	3,262.7	+3.2
British Columbia			
New Westminster	79.8	69.5	+14.9
Vancouver	1,660.1	1,440.3	+15.3
Victoria*	298.0	223.2	+33.5
Total	2,038.1	1,733.0	+17.6
Canada total	23,592.9	22,759.4	+3.7

March and April totals:
(Millions of $)

	Apr. 1947	Mar. 1947	Apr. 1946
Maritimes:			
Halifax	63.4	67.3	59.5
Moncton	25.3	23.8	21.0
Saint John	44.3	39.0	37.3
Total	133.0	130.1	117.8
Quebec:			
Montreal	1,728.5	1,716.1	1,465.5
Quebec	160.6	160.5	129.0
Sherbrooke	18.1	16.5	15.8
Total	1,907.2	1,893.1	1,610.3
Ontario:			
Brantford	26.6	26.4	22.6
Chatham	15.9	22.2	12.4
Fort William	16.5	15.6	13.3
Hamilton	134.7	123.4	110.8
Kingston	17.3	15.3	16.6
Kitchener	34.9	34.2	27.7
London	76.2	78.5	71.7
Ottawa	479.4	253.2	657.2
Peterborough	18.1	16.6	16.6
St. Catharines	23.6	23.2	19.6
Sarnia	18.8	22.1	16.7
Sudbury	14.7	14.0	11.5
Toronto	1,631.3	1,598.2	1,648.1
Windsor	85.9	87.9	76.9
Total	2,593.9	2,330.9	2,721.8
Prairie Provinces:			
Brandon	9.1	7.7	7.8
Calgary	139.4	128.0	111.3
Edmonton	101.6	104.6	93.4
Lethbridge	14.4	11.8	12.2
Medicine Hat	7.7	6.9	6.1
Moose Jaw	15.3	15.5	15.9
Prince Albert	9.0	8.9	8.7
Regina	93.2	98.6	83.9
Saskatoon	31.5	27.5	29.7
Winnipeg	475.1	443.3	492.1
Total	896.3	852.7	861.3
British Columbia:			
New W'minster	21.4	22.0	18.2
Vancouver	426.3	434.0	364.2
Victoria	65.2	74.2	61.0
Total	512.9	530.2	443.4
Total for Canada	6,643.3	5,737.0	5,754.6

Imperial Bank Branch Has Many New Features

MONTREAL (Staff)—Customers of the Imperial Bank of Canada, McGill St. branch, can take pride in the fact that they do business in one of the most up-to-date banks on the continent.

Among the features of the renovated premises is concealed lighting, sound-proofing and air-conditioning. Barred cages for tellers are out and have been replaced by counter-high glass panels. Every department on the main floor has been made visible to the public.

For construction of the main floor, walls, counter and columns, seven different types of marble were selected. Walls of the main banking room are Turgot Limestone from France; used largely because of its sound-absorbing qualities.

Five murals by Adam Sherriff Scott adorn the walls. These are: "The Empire Loyalists," "The Home Builders," "Fur Traders," "In Hudson's Bay" and "Jacques Cartier" and illustrate some events in Canadian development.

In the basement of the reconstructed building new safety deposit vaults have been constructed with the latest type of protective devices. Also in the basement are a number of coupon booths, lounge for female staff members and a smoking room for men. Architects for the alterations were Ross, Patterson, Townsend & Houghan of Montreal. Construction and engineering were carried out by J. L. E. Price & Co.

$100,000 Publicity Drive For Alberta

From Our Own Correspondent

EDMONTON — Contract for a $100,000 publicity campaign to promote industrial development in Alberta has been awarded to the Harold F. Stanfield, Ltd. advertising agency, after reviewing bids received from all advertising agencies in the province.

The campaign, starting next fall, will run two years. Media will include newspapers, publications, special booklets, films and billboards with the object of promotion of Alberta as the best location in the Dominion for industrial expansion.

Alberta business and industries have been invited to contribute to the campaign on a dollar-for-dollar basis with the Government. Subscriptions are said to be encouraging.

BANK OF CANADA

	May 28 1947 $	May 21 1947 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	1,147,121,237	1,148,373,433
Rest fund	10,050,367	10,050,367
Deposits: Dom.	170,809,366	149,735,555
Chart. banks	488,365,263	476,311,551
Other	67,264,184	71,325,286
Total deposits	726,436,813	697,372,392
Liabs. pay. in sterling, U.S.A. and for'n gold currencies		
Deposits	958,496	958,496
Other	16,831	16,831
Total	975,327	975,327
All other liabs.	15,138,033	17,485,640
Total liabs.	1,904,722,777	1,879,257,669
Assets		
Sterling & for'n. exchange	975,327	975,327
Subsid. coin	395,471	386,071
Investments:		
Dom. gov't. sh.	1,122,647,587	1,118,449,148
Oth. Dom. govt.	730,430,993	732,088,662
Other secs.	15,000,000	15,000,000
Total invest.	1,878,078,580	1,865,537,810
Premises	2,453,440	2,453,440
All other assets	22,819,959	19,903,021
Total assets	1,904,722,777	1,879,257,669

Staff Changes

The Bank of Nova Scotia announces the following staff changes:

C. G. WEBSTER, to be manager, London, England.

C. A. SHANNON, to be manager, Port Carling, Ont.

C. E. CROOKS, to be assistant manager, Winnipeg.

H. F. GORDON, to be assistant manager, Halifax, N.S.

A. E. WILLIAMS, to be assistant manager, foreign exchange department, general office.

R. FURNEAUX, to be accountant, Halifax, N.S.

H. W. KELSON, to be accountant, Picton, Ont.

F. E. LAWSON, to be accountant, Winnipeg.

R. W. MUNRO, to be accountant, Danforth & Greenwood, Toronto.

• • •

The Canadian Bank of Commerce announces the following staff changes:

M. H. SMITH, manager, Portage & Garry, Winnipeg, to be manager, Portage & Donald, Winnipeg.

J. F. MACDUFF, assistant manager, Regina, Sask., to be manager, Portage & Garry, Winnipeg.

• • •

The Royal Bank of Canada announces the following staff changes:

G. A. HOLTBY, manager, Minnedosa, Man., to be manager, Saskatoon, Sask.

W. M. MORPHET, assistant manager, Toronto, to be manager, Owen Sound, Ont.

J. S. M. MITCHELL, assistant manager, Lima, Peru, to be assistant manager, San Juan, P.R.

A. FERGUSON, manager, Erickson, Man., to be manager, Minnedosa, Man.

W. E. STEDMAN, accountant, Shaunavon, Sask., to be manager, Leask, Sask.

G. A. LITTLE, Portage Ave., Winnipeg, to be accountant, St. James, Winnipeg.

S. J. GRIGG, accountant, St. James, Winnipeg, to be accountant, Port Arthur, Ont.

H. F. DINNER, savings manager, London, Ont., to be accountant, Strathroy, Ont.

W. G. LANDER, assistant accountant, St. Catharines, Montreal, to be accountant, Dunnville, Ont.

J. A. H. GIGUERE, assistant accountant, Lachine, Que., to be accountant, Drummondville, Que.

J. J. C. EVANS, to be assistant manager, Toronto.

H. R. HEATH, to be accountant, Burlington, Ont.

TECHNICAL SERVICES:
APPRAISALS: Buildings and Machinery
INVESTIGATIONS: Materials, Failures
METALLURGICAL EXAMINATIONS
CONSULTANT: Heat Treatment
QUALITY CONTROL: Production
H. H. SCOTLAND, B.Sc. I. Mech. E.
REGISTERED PROFESSIONAL ENGINEER
Elgin 5548 319 Bay Street, Toronto, Ont.

Ten million customers
• There are over seven million people in Australia, nearly two million in New Zealand and more than a million in Fiji, New Guinea and Papua.
• You can reach this market through over 650 branches of the Bank of New South Wales spread throughout these countries.
• Ask your bank to enquire about trade opportunities in any part of the South-West Pacific Area through:—
BANK OF NEW SOUTH WALES
British & Foreign Department, Sydney, Australia

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FINANCIAL STATEMENT AND DIRECTORS' REPORT
DOMINION WOOLLENS & WORSTEDS, LIMITED

BALANCE SHEET AS AT 31st DECEMBER, 1946

ASSETS

Current:		
Cash on hand and in banks	$ 29,506.12	
Accounts receivable	434,396.08	
Inventories of finished goods, goods in process, raw materials and supplies on hand and in transit, as determined and certified by the Management and valued at the lower of cost or market, less reserve for future decline in values in accordance with the Excess Profits Tax Act	2,664,016.86	$3,128,118.05
Mortgages receivable from employees		6,393.46
Investments in and advances to subsidiary company—Woodsdale Properties Limited		
Shares at cost	$ 9,975.00	
Advances	34,115.26	44,090.26
Refundable portion of excess profits taxes		36,028.83
Fixed:		
At depreciated replacement values in 1928 as certified by the Canadian Appraisal Company Limited, comprising land, buildings, houses, plant and equipment less amounts written off, plus subsequent additions at cost	$4,480,181.75	
Less: Reserve for depreciation	2,305,229.02	2,174,952.73
Unexpired insurance and other deferred charges to operations		15,932.45
		$5,406,015.78

LIABILITIES

Current:			
Bank loan—secured		$1,125,000.00	
Accounts and bills payable and accrued liabilities		269,653.72	
Dividend payable		26,436.60	
Bond and debenture interest accrued		30,360.00	
First mortgage serial bonds maturing 1st February, 1947		50,000.00	
Dominion Government—amount refundable on war contracts, (after deduction of related and other prior year income and excess profits taxes recoverable)		111,354.27	
Income and excess profits taxes, estimated, less instalments paid on account		13,200.02	$1,643,003.61
Funded debt:			
First mortgage serial bonds:			
Authorized $2,000,000.00			
Issued 700,000.00			
Outstanding (less bonds maturing 1st February, 1947) 3½% and 4%, maturing 1948-1954		$ 550,000.00	
Redeemable sinking fund debentures 5%, maturing 1964:			
Authorized and issued	$1,270,200.00		
Less: Redeemed under terms of Trust Deed	71,800.00	1,198,600.00	1,748,600.00
Reserve for bad debts			51,351.24
Reserve for contingencies			200,000.00
Capital and surplus:			
Common stock:			
Authorized: 155,000 shares of no par value			
Issued: 147,283 shares, fully paid		$ 917,548.00	
Earned surplus, per statement attached		845,512.93	1,763,060.93
			$5,406,015.78

Signed on behalf of the Board: HENRY BARRETT, Director; J. A. GAIRDNER, Director

DOMINION WOOLLENS & WORSTEDS, LIMITED,
Toronto, Ontario.

We have examined the above Balance Sheet of Dominion Woollens & Worsteds, Limited, as at 31st December, 1946, and the related Statements of Earned Surplus and of Income and Expenditure for the year ended on that date. In connection therewith we made a general review of the accounting methods of the company and examined or tested accounting records and other supporting evidence to the extent that we deemed appropriate without making a detailed audit of the transactions. We have received all of the information and explanations we have required.

The Board of Directors by resolution has made provision for depreciation in the amount of $77,700.00 for the year under review.

In accordance with section 114 of The Dominion Companies Act, we report that there was no net profit or loss of the subsidiary company for the period ended 31st December, 1946, to be dealt with or provided for in the accounts of the holding company, Dominion Woollens & Worsteds, Limited.

Subject to the foregoing, in our opinion the above Balance Sheet and related Statements of Earned Surplus and of Income and Expenditure are properly drawn up so as to exhibit a true and correct view of the affairs of the company as at 31st December, 1946, and the result of its operations for the year ended on that date, according to the best of our information and explanations given to us and as shown by the books of the company.

P. S. ROSS & SONS, Chartered Accountants.

TORONTO, ONT., 21st April, 1947.

STATEMENT OF EARNED SURPLUS
For the year ended 31st DECEMBER, 1946

Balance at credit, 1st January, 1946		$ 845,553.39
Prior year adjustments:		
Deduct:		
Amount refundable on war contracts as a result of renegotiation proceedings	$ 300,000.00	
Less: Related and other prior year income and excess profits taxes recoverable	258,733.36	41,266.64
		$ 804,286.75
Add:		
Refundable portion of prior year excess profits taxes		36,028.83
Adjusted balance at credit, 1st January, 1946		$ 840,315.58
Operating profit for the year ended 31st December, 1946, after provision for income and excess profits taxes	$ 101,149.40	
Net profit on redemption of company's own debentures and on sale of securities	2,374.00	
Net profit (after charging $22,587.96 to depreciation reserve) on land, buildings, houses and equipment sold or scrapped in 1946	8,319.29	111,842.69
		$ 952,158.27
Deduct:		
Dividends declared		106,645.34
Balance at credit, 31st December, 1946		$ 845,512.93

Submitted with our report dated 21st April, 1947.

TORONTO, Ont. P. S. ROSS & SONS, Chartered Accountants.

STATEMENT OF INCOME AND EXPENDITURE
For the year ended 31st DECEMBER, 1946

Profits from operations, after charges of $54,570.28 for remuneration of executive officers and salaried directors and solicitors' fees, and $12,083.33 for directors' fees, and before providing for the undernoted charges		$ 330,307.59
Deduct:		
Provision for depreciation	$77,700.00	
Bond and debenture interest	83,258.19	160,958.19
Net profit from operations		$ 169,349.40
Deduct:		
Provision for income and excess profits taxes		68,200.00
Net profit transferred to earned surplus		$ 101,149.40

Submitted with our report dated 21st April, 1947.

TORONTO, Ont. P. S. ROSS & SONS, Chartered Accountants.

DIRECTORS' REPORT TO SHAREHOLDERS

The Eighteenth Annual Report for the year ended December 31, 1946, is submitted herewith.

During the year your Company's operations were devoted entirely to the production of civilian goods and both physical and dollar volumes were 5% higher than the previous year, when a large portion of our production was for the armed forces.

Increases in raw material prices and increased prices for all supplies we consume, as well as higher wages and inadequate ceiling prices, have resulted in a decline of net profits from $219,424 in 1945 to $101,149 in 1946.

A much overdue recognition of the inadequate ceiling prices resulted in the granting of higher ceiling prices as from February 17th, 1947, followed shortly afterwards by the discontinuance of all price controls applicable to your Company's products.

With the return to normal cost-price relationship, the earnings of your Company will be considerably higher than those for the period under review.

For the first four months of 1947, production both in physical quantity and dollar value was at considerably higher levels than for the same period last year.

Wages which represent an important percentage of operating costs have increased very substantially during the past year. Your Company's wage rates compare favourably with the highest paid in the wool textile industry.

Net current assets as at December 31, 1946, amounted to $1,485,114 and compare with $1,720,529 as at December 31, 1945. The reduction is largely accounted for by expenditures on capital replacements, which during the year amounted to $221,000. It should be pointed out that the prices of new equipment are almost double those of pre-war years, so that this amount in terms of similar expenditures made at pre-war prices could not be considered abnormal.

Inventories are carried at levels which, in view of present conditions, are considered sound. The difficulty in obtaining suitable supplies, when and as they are needed, combined with the requirements arising from wool top making operations, have necessitated the maintenance of larger inventories. The costs of such inventories are at levels considerably below present replacement costs.

The renegotiation proceedings with the Department of Reconstruction and Supply have been concluded for the principal war years 1940 to 1944 inclusive, and the refundable portion of the Excess Profits Taxes is included in the attached statements as an asset. The resulting adjustments made very little change in the earned surplus account.

The provision for Dominion Income and Excess Profits Taxes is considered adequate, although the taxes in respect of 1940 and subsequent years have not been finally determined.

The books and accounts of your Company have been examined and the auditors' report is submitted herewith.

Respectfully submitted,
JOHN W. HOBBS,
Chairman of the Board.

TORONTO, ONTARIO, May 13, 1947.

PROFESSIONAL DIRECTORY

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W. J. McCOY
Chartered Accountant
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Keep Out of Trouble—XXII

By Watching Deductions and Family Exemptions You Can Pay Proper Tax and Still Save Money

This is the second of two articles discussing some of the more common points of trouble to income taxpayers. The previous article emphasized the necessity of making an income tax return and explained some of the items that must be included in income from personal effort, investments, etc. This article explains further points in investment income, family deductions and different bases for reporting income.

Investment income for income tax purposes includes revenues from some sources not usually considered investments. It means, in fact, any income other than wages, salary, professional fees, etc., or profits from actual operation of a business.

Accordingly, the interest portion of annuities under contracts issued since June 24, 1940, is taxable. Dominion Government and like annuities issued previous to June 25, 1940, are exempt up to $1,200 a year (up to $5,000 a year if issued before May 26, 1932). But the exemptions were changed in 1940. So if you have an annuity issued under a contract since 1940, you have to report the interest part of it as investment income.

You should get a "source" report from the government or insurance company issuing the annuity telling you how much of each payment is capital and what is considered interest. If they don't send you this, write and ask for it.

You must be sure also to report any income received from estates or trusts, any premium on exchange not reported elsewhere royalties and similar like payments from oil wells, etc.

For 1947 and subsequent years the exemption for investment surtax has been raised from $1,500 to $1,800.

If a man is legally separated or divorced from his wife and living under separate roof he may deduct the alimony payments from his income but he will be classed as a single man. If the wife receives alimony she must add it to any other income she may have for tax purposes. If either one is supporting a dependent child they are allowed the usual deductions for a dependent relative.

Suppose wages and salary are less than 75% of your total income. You are then required to make a quarterly return on March 31, June 30, Sept. 30 and Dec. 31. On March 31, you pay 20% of the estimated difference between your total estimated tax at the current year's rate and the tax deductions being made at the source; 25% on June 30 and Sept. 30 and the remaining 30% on Dec. 31.

A special form T7B is supplied for you on which to note these installment payments. If your income is entirely from investments or if you are a professional man or have a business of your own you also pay on a quarterly basis.

If you don't pay your installments promptly you are charged 4% interest from the date due to the date of payment on the shortage, subject to allowances. For example, on 1946 income if assessment notice is not mailed to you before say Dec. 1, 1948, there is no interest charged for the period beginning Jan. 1, 1949, and ending one month after the date of mailing the notice of assessment.

Classification for Deductions

Among your deductions, probably the most important are those for your marital and family status. Thus if you are classed as single you are allowed $750 exemption, $1,500 if married and your wife doesn't have an income of more than $250 a year.

If however, your wife has an income exceeding $250 a year your exemption is reduced by the excess over $250.

Your own exemption as a married man accordingly is cut down by any excess of your wife's income over $250. But it cannot be cut below $750. If her income exceeds $750 both you and she become classed as single persons for income tax.

Now supposing your wife has an income of just $750, your exemption would be cut by $500 to $1,000. But if her income is $760, then, because it is more than $750, you are classed as a single man, and both are taxable.

If you want to retain your status as a married man your wife can make a gift to the crown sufficient to bring her taxable income below $750. Or if she makes charitable donations she can attain the same result or the two classes of payments can be employed. Similarly suppose one of your dependents has an income of over $400 which would prevent you claiming him as a dependent for tax purposes. He can give a gift to the crown reducing his income below the $400 and enabling you to claim him as a dependent.

You can reduce your own taxable income by deducting contributions to a corporation pension plan, charitable donations up to 10% of your income, medical expenses over 4% of your income up to certain limits, or a gift to the Crown.

Children's exemptions are divided into several classes. Where children are under 16 and drawing family allowances, the exemption is $100; for children under 18 but not drawing family allowance, it is $300. Children over 18 but under 21 and going to school or college are also allowed an exemption of $300, as long as the child has not an income of his own of over $400.

Normally for other children living with you and under your custody and control you get a deduction of $300. But in the case of dependent brothers and sisters (and half sisters and brothers) parents or grandchildren you are allowed the full deduction for dependents even if they are not living in your home. But in the case of a niece or nephew, they have to be living actually with you and under your custody and control for you to get the full exemptions.

If you get marired any time before the end of the year you can claim married man's deductions for the full year for income tax.

Your in-laws rank the same as your own relations. Adopted children also rank with your own children for exemption. Even children which are no relation to you which you may have taken in out of kindness will entitle you to deductions provided the child is under your custody and control.

When Taxpayer Gets Break

The income tax department gives the taxpayer a break in many of these cases. For example, if you get married on Dec. 30, or if you have a baby born then, you get exemption for the full year just as if you had been married in January or if the baby had been born that month. If a child becomes 16 in November, you are allowed to claim a deduction of $300 even though you received family allowances on his account up to November. The regular deduction for a child getting family allowance for the full year is only $100.

If a man's wife dies in January he can claim married status for the full year and if a dependent dies in January he is also allowed exemption for the same period.

If however, your 17-year-old son goes to work and makes over $400 during the year, you are not entitled to any deductions on his account though he may still be at school and you may be under considerable expense for school fees, clothing, etc.

Now suppose you are a single man supporting your mother but your mother lives in another town or another street.

In that case you would be entitled to deductions for her as a dependent. But if you maintain a self-contained domestic establishment in which you yourself reside and she lives there with you even if you are single you would be able to claim married status on her account.

Professional men may pay on a cash or an accrued basis. If the taxpayer adopts the first method, he pays the difference between his actual receipts and actual expenditures incurred in earning his income. Under the second method he calculates the value of the services rendered, sets up a reserve for bad or doubtful debts, deducts the expenses and pays on the balance.

The accrued basis is not very satisfactory in most cases because the average professional man does not have reports of mercantile agencies by which he can determine what are bad and doubtful debts.

It is however useful in the case of people like architects, engineers, etc., who may receive large payments resulting from several years' efforts. If these payments are received in one year the tax payable would be much higher than if spread over the period when it was earned which would appear to be the fairest method.

A professional man may deduct salaries paid to assistants in his office such as nurses, telephone operators, etc. He may also deduct supplies used in his work, expense of telephone and instruments up to $50. More expensive ones would have to be capitalized and would be subject to depreciation write-off.

A professional man is also allowed to deduct fees paid to governing bodies which he must join in order to be able to practice. Thus a doctor, lawyer or a dentist can deduct the fee he pays to his governing body because he cannot practice without such membership.

These deductions are allowed as long as the individual is practicing his profession. But if he is being paid a salary as a corporation lawyer or a doctor at an industrial plant these deductions would not be allowable.

Can Deduct Farm Losses

Gentlemen farmers whose farm is only a sideline and not operated as a means of livelihood are allowed to deduct any loss they make on their farm from other income up to 50% of the actual cash loss. No depreciation is admitted. The amount deducted however must not exceed the amount of the taxpayer's secondary or class B income. By secondary income is meant income received from sources other than your main occupation. For example, if you are a teacher with a salary of $3,000 and an investment income of $1,200 the investment income would be secondary income.

If however, you are a bona fide farmer you should make a T1 general income tax return if your income is over $3,000, otherwise a T1 special income return. But you must also fill out a T1 supplemental return designed especially for farmers. This shows both income and expenses under several items. If you don't do this you will be considered to have made an incomplete return and are subject to penalties.

These penalties (for all taxpayers) are usually a percentage of the tax with minimum amounts ranging from $5 to $25. For wilfully attempting to evade income tax a prison term up to two years may be imposed.

If at any time you are dissatisfied with the ruling of the income tax officers regarding the amount of tax that you should pay or the assessment they make on any particular item, you can always appeal to the Minister of National Revenue. This appeal should be made within one month of the date your assessment was mailed.

If you are still dissatisfied, however, with the ruling of the Minister of National Revenue, you may again appeal within a month's time to the Exchequer Court of Canada.

In that case you should mail your application of appeal by registered mail, again to the Minister of National Revenue using a form which is provided in the Act giving a full statement of the facts.

You must, however, give satisfactory security for cost up to $400 after mailing your notice of dissatisfaction. The Minister will again review the circumstances and then if he denies your appeal he will place before the court the matter for trial.

Ex-Car Thief Recommends Sealed Ignition Locks Centralized Registration to Curb Auto Thefts

(Continued from page 13)

difficult, that's all. To get absolute protection, the whole system must be sealed. That means the coil and distributor have to be tamper-proof. Ford got the same results—unintentionally of course—when he put the distributor in the nose of the engine. A thief just can't get at it unless he's got all night to play around.

Of course, some cars are harder to beat than others. Personally, I wouldn't touch any car with a steering lock. In the first place, you have to shear off the locking pin. That isn't so hard: all you do is pull the wheel hard over and run one front wheel against the curb. Boom! That's it. Wouldn't a case-hardened pin stop that?

But this causes damage. The thief who's going to use the car to make a getaway from a job doesn't care. He's going to ditch it anyway. But for a guy like me who wanted to sell 'em, there couldn't be any damage, especially around the locks. That's why I stayed strictly away from Fords, Nashes and others with steering locks.

Easy to Get Keys

When I dealt off a hot car, I had to have everything in order—license, registration card, keys and if necessary, a bill of sale Getting the key was the easiest. After stealing the car, all I'd do was take out one door handle—the keys of most car doors also turn on the ignition. Then I'd take it to a locksmith and get a set made. Simple, isn't it? but I don't know as there's much you can do about that, except have the locksmith demand to see the registration card. And that wouldn't work either for a reason I'll explain.

This is really where the organization comes in. When you're stealing cars and selling them, you've got to appear to be the legitimate owner. Of course, that doesn't go for the gangs who try to change the whole appearance of cars. But there aren't many of them. One was just broken up in Montreal.

The first step is to get a registration card—any registration card but preferably one issued outside the province where you're going to work. There's no central clearing house in Canada for car registrations; there's practically no inter-provincial checking and hardly any between municipalities in a given province. Surely that's one thing that can be fixed.

Anyway I get some registration cards by buying up a bunch of old jalopies. All I'm after is the registration card. Say I buy half a dozen in Montreal. Okay, I come to Ontario, and pick towns in which I'm going to do business—selling, not stealing. In each, I transfer registration from Quebec to Ontario and get a new set of license plates. The first job is to erase all the details of registration. That's not very difficult.

Now I'm ready to go to work. I grab a car, change the plates, enter the make, year, serial number, etc., of the car I've hooked under a phony name. I also have a bunch of registration cards too, which I fill out in the name of the bogus car owner. And if anybody's interested permits for almost anything aren't hard to get. I used to have 78 liquor permits.

Then I'd drive the car to where I'd bought that particular license. That's part of the buildup. Then I'd sell to the first guy that came along who really looked car-hungry. And believe me, there were plenty of them. During the war there was a terrific traffic between Quebec and Ontario and the West I'll bet there are more stolen cars on the Prairies than there are foxes.

Arrested Over Own Car

If it's that simple, you say, how'd I get hooked? Well, you'll never believe it, but it was over my own car. Yes, my own; the only one I ever paid for and had registered in my own name. I got in an accident with it and wrecked one side; but the engine and rear end were good. A little while before, I'd stolen one like it but the engine was bad. That happened sometimes. I'd pick a car, get away with it, only to find the motor a pile of junk. Usually, I'd dump it quickly. This time, I didn't. I decided to put the motor and rear end of my car in the stolen one. For all that anyone would know, it would still be mine.

In the meantime, I was driving the stolen car and had cached my own in the bush and covered it with branches until I could get to it to take out the engine. But my luck was out. A bunch of hikers found it. Of course that meant the cops. The serial number checked against my registration card but I had the license plates on this other car. It sounds complicated but the judge figured it out and gave me the answer—two years in KP.

How to Make it More Difficult

Now what can be done about this sort of thing? I'm just a reformed car thief, but I've got a few suggestions:

1. Set up some sort of central registration system, maybe like they have in Britain where one license plate lasts for the life of the car. That will eliminate duplicate license plates and speed investigation. In any case, do something about the complete lack of cross-checking between provinces. Maybe that involves provincial autonomy, I don't know, but it's worth looking into. Now, even if somebody does get suspicious about a car, it takes six months to check it through the registration and right back to the factory.

2. Purchasers should insist on getting conclusive proof from the seller that he owns the car. When cars are hard to get and because the chances of tracing such a stolen car are negligible, that's perhaps too much to expect. In any event, the idea that a car might be stolen seldom enters the head of the prospective buyer. This precaution involves human nature. I wouldn't depend on it too much.

3. As I said before, design some sort of sealed ignition system.

4. Lock your car at all times, especially on car lots. What easier way is there to get a car than walk on a lot, pick out a car that's near the curb, and drive off. If you have to leave your keys, insist on getting a parking stub without which no one should be given the car. That means tighter regulations on parking lot operators. Don't even leave your car unlocked in a garage. If you park your car on the street, always leave it under a light. Thieves do their best work in the dark.

5. Do what I do, install an extra ignition lock. One won't work unless the other is on. You can't be too careful these days, you know.

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What Will Be Election Issues?

No one issue is likely to dominate the next Dominion election, in the opinion of informed Canadians questioned by The Financial Post. While they cited many questions likely to be raised, they agreed generally that tax levels, trade policies, government controls, industrial legislation, immigration, social security and Dominion-provincial relations would be well to the fore. Prices of farm products and machinery, railway rates, future relations with the United States, housing and amendments to the nation's constitution were among other suggestions.

The Question: On What Major Issues Do You Expect Forthcoming Federal Election Will Be Contested?

F. O. CREIGHTON, Businessman, Woodstock, N.B.

It is my opinion that the records of the various Canadian political parties in relation to economical, stable and representative government, and policies designed to reflect general and equitable distribution of the national prosperity, wealth and opportunities, will be the paramount issues.

W. P. FILLMORE, K.C., Winnipeg.

I think the subjects which will constitute the main issues will be the release or increase of government controls, responsibility of labor, Canadian wheat agreement and trade agrements including preferential tariff, and possibly government ownership or control of railways or freight rate legislation.

* * *

C. A. HAYDEN, Editor, Country Life, Kamloops, B.C.

No matter what species of red herrings may be used, the people of Canada in the next federal election will not be diverted from the everyday questions of ever-increasing costs of running their homes, feeding, clothing and educating their children, of oppressive taxes which leave them no margin for saving, of insecurity and the companion fears of unemployment. That famous query 'Had Enough?" may well be resurrected and has, rightly or wrongly, only one answer.

* * *

GEO. W. JAMES, Editor, the Canadian Statesman, Bowmanville.

Major issues according to farm opinion are:

Trade and immigration; general tax revision; slash government costs; guard provincial autonomy; more relief for pensioners and the low income group. Paying up to $100 monthly for farm help with few takers, farmers want sound immigration to expand production and the domestic market, and demand the Government secure widest world trade possible. Farmers feel fed up, pushed around by in-and-out policies; no longer appear hidebound partisans. They want hard-headed business leadership.

* * *

OSWALD MAYRAND, Managing Editor, La Patrie, Montreal.

Let us hope that Canadian general elections take place as late as possible; but major issues on which they now promise to be contested are:

1. Fiscal arrangement between the Dominion and the provinces. Did the Federal Government act rightly toward the provinces, according to constitution?
2. Federal fiscal policies within Canada. Should such heavy taxes be levied on the present generation? Should not private enterprise be enhanced by alleviating taxes, so that posterity bear their share of world wars' costs?
3. Exterior affairs. Is it wise to give or lend billions to friendly countries from whom we cannot reasonably get adequate return.

* * *

LEON RAYMOND, M.P., Wright, Que.

The next federal election is so far away that it seems to me unwise to prophesy on the major issues.

* * *

JOSEPH SEDGWICK, K.C., Toronto

Not being privy to the plans of the great, all I can do is look in the crystal ball. I think totalitarianism is a diminishing force on this continent and I think our people lean toward less government, less taxes and less interference in their private affairs. That, I think, will be the paramount issue. Dominion-provincial affairs will be an issue of great importance, at least in the east! There will be other issues of less significance. Radio seems likely to be one of them, our exchange situation another, the plight of the mines still another; but these, I think, are suborinate to the main question.

* * *

VICTOR SOUCISSE, Public Relations Consultant, Montreal.

In Quebec the biggest issue will be provincial autonomy as against the excessive centralizing policy of the present administration. In the federal field the greatest strength of the Quebec Liberals lies in the weakness of the Opposition. However, on a major issue this same opposition can deal very severe blows, as it did on the conscription issue, which the Liberal chiefs thought they could put over by at least a 60% majority. They lost, instead, by 90%. Facing the province again with an unpopular issue, the Quebec Liberals hope that a few dollars a month in security benefits may tip the scales in their favor. They may not be reading the signs aright. French Canadians are highly incensed at the meagre representation in the Civil Service and in the executive positions in Canadian trade and industry. Moreover, if further loans to England are on the horizon, Quebec feels that it is time that charity should begin at home.

* * *

HON. H. H. STEVENS, Vancouver, former Minister of Trade and Commerce.

Immigration will be an issue in the next federal election and Premier King will formulate a policy acceptable to Quebec and not too objectionable to labor; also, high prices, which will be associated with increasing profits of industry, thus beclouding the issue. Undoubtedly strenuous efforts will be made by left-wing labor to make socialism an issue; but this is diminishing through internal strife within labor ranks. High taxation and continuing costly administrative costs will be bitterly contested together with government reluctance to curb bureaucratic wartime practices. Briefly, bureaucratic totalitarian tendencies versus freedom of opportunity and personal responsibility, will be the issues.

* * *

W. W. SOUTHAM, Director, Southam Press, Montreal.

The major issues will be those most definitely before the public at that time. Today four of these major issues can be classified under the headings: taxation (both for business and individuals), subsidies, the high cost of carrying on the business of government, and housing. The first three have been very definite contributing causes to the drastic increase in the cost of living. The housing situation, too, can very well be termed a factor which increases the cost of living. A public not properly housed cannot do effective work; but a large production is what is so badly needed in this postwar era.

* * *

A. C. STEWART, K.C., Yorkton, Sask.

In the federal seats of Saskatchewan, provincial issues will play a large part, namely our costly experiment in socialism. Federal issues, in probable order of importance, will be wheat agreements and stability of farm produce marketing, income taxes, price control, social services, particularly health and old-age pensions; if materially increased, freight rates; housing shortage, federal highway system, water conservation, trading and tariffs.

* * *

L. A. TASCHEREAU, Former Premier of Quebec.

I believe no one sole major issue will arise in the forthcoming federal election, but quite a number of our present problems will be under discussion:

1. Housing.
2. Better and simpler system of taxation, and gradual increase of taxes. Rate never higher than in U. S.
3. Price control when absolutely necessary.
4. Closer relations and co-operation with U. S. in regard to military defense and financial parity.
5. Problems arising of interprovincial conferences.
6. Fight against communism.
7. Reduction of government expenditure.
8. Aid to foreign nations.
9. Immigration.
10. Western problems with which I am not familiar.
11. Amendments to Canadian constitution.

The above should be enough to provide food for the eloquence of the candidates.

* * *

JOHN A. TORY, Director, Sun Life Assurance Co., Toronto.

I believe the following will be some of the major issues:

1. The war record of the Government, and assistance given the United Nations.
2. The postwar financial position of Canada and future taxation policy.
3. The immigration situation, on which there are wide differences of opinion as to type of immigrants to be selected for admission and nationalities permitted to enter.
4. Labor legislation . . . one of the big issues.
5. Proposals for greater development of world-wide trades.
6. Amendment to the British North America Act and relationship between Dominion and Provincial Governments.
7. Government controls, and whether they should be partially retained or completely eliminated.

* * *

WALTER A. TUCKER, M.P., Rosthern; Saskatchewan Liberal leader.

The major issue will be whether the social security and public investment program of the Liberal Government will be proceeded with or thwarted by opposition of the Provincial Governments of Ontario and Quebec. The carrying out of these proposals seems to me to be necessary to protect our people as a whole from a repetition of the hardships of the early 30's and to extend a reasonable measure of social security to both young and old. Canada will be asked if she wishes to continue to stay in the vanguard of nations in regard to promoting the health of her people, protecting them against the hazards of illness, unemployment and caring for the aged and the helpless. This can only be done if some such proposals as those made at the Dominion-Provincial Conference are carried out.

It begins to seem clear that only a decisive favorable decision by the Canadian people as a whole in a general election, will overcome the opposition which has successfully blocked their implementation to date. When such a decision is given, it will mark a very great and definite step forward for the Canadian people.

* * *

THOS. E. WALSH, McGuire Advertising Ltd., Windsor, Ont.

Decontrol of prices and consequent effect on living costs, undoubtedly will be seized upon by the opposition in the forthcoming federal campaign. Income and profits taxes, despite recent reductions, also may come under fire. The Seaway development project and proposed toll system probably will be thoroughly debated. An attack by the Conservatives on the handling of the espionage enquiry may also be expected. Another contentious issue may be Canada's immigration policy, screening of prospective immigrants, number to be admitted, etc. Canada's role in world affairs, especially in respect to her relationship with Russia, should also provide campaign material. The housing question will undoubtedly be a paramount issue, as will the subject of Canada's gold mining.

C. G. WEBSTER

has been appointed Manager of the London, England, branch of The Bank of Nova Scotia.

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Omar and Fellow Tentmakers Take It On Chin Since War

If those irrepressible optimists can't find anything else to say about Canada's house famine, they can point out that Canadians haven't resorted to tents yet. The figures show that Omar's trade has been sagging since the government stopped its heavy wartime buying.

Dominion Bureau of Statistics reports that 82 Canadian firms produced $8,730,000 worth of tents, awnings, sails, etc., in 1945—an 11.6% drop from 1944 when 79 firms produced $9,873,949.

Some of the main decreases were tarpaulins, $422,611; other covers, $913,248 and sleeping bags, $182,782.

The industry employed 1,666 persons in 1945—20 less than the year before—but wages and salaries totalled $2,102,477 — an increase of $31,879. Cost of materials used was $5,354,445, a decrease of $1,198,638. Value added by manufacture was $3,328,102, an increase of $50,593.

Ontario's 35 establishments accounted for 38.4% of the employees and 33% of the gross value of production. Quebec, with 24, accounted for 41% of employees and 48% of production. Remainder of the plants were located as follows: British Columbia, 6; Alberta, 4; Manitoba, 4; Saskatchewan, 3; and New Brunswick, 1.

SARATOGA EXPLORATION CO. announces the optioning of a spar property about 20 miles north of Buckingham, Que. Substantial quantities of soda spar and potash feldspar were reported shipped from the property several years ago. The company has purchased necessary equipment for taking out the rock and hopes to be shipping rock about middle of June. Saratoga still retains its property in Larder Lake area, Ont.

YOU ASKED US ABOUT

The Financial Post will provide subscribers as quickly as possible the answers to specific questions about business, taxation, investments, and other subjects. The Post cannot undertake to make predictions, will not express opinions on matters involving individual business judgment or on conditions or investments outside Canada. All communications should be addressed to Business Enquiry Editor, The Financial Post, 481 University Ave., Toronto 2. A four-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. If more than one enquiry is being sent, subscribers are asked to submit each on a separate sheet of paper, to facilitate research work entailed.

INCOME TAX

Goodwill of Business

I am a retail merchant and am thinking of selling my store. I value goodwill of my business quite highly and the party I am negotiating with is quite willing to pay the figure I ask. Would the price I receive for goodwill be taxable?

In a case such as yours, any profit made on stock in trade is considered income and taxable. But goodwill, we are told, would normally be considered capital, and free of income tax.

INVESTMENTS

Dow-Jones Indust. Average

Will you please supply me with a list of the stocks that make up the Dow-Jones industrial average.

Following is a list of the 30 stocks that make up the Dow-Jones industrial average:

Allied Chemical	Loew's Inc.
American Can	Johns-Manville
American Smelters	National Distillers
American Tel & Tel	National Steel
Amer. Tobacco (B)	Procter & Gamble
Bethlehem Steel	Sears Roebuck
Chrysler	Standard Oil of California
Corn Products	Standard Oil of New Jersey
Dupont	Texas Co.
Eastman Kodak	Union Carbide
General Electric	United Aircraft
General Food	U. S. Steel
General Motors	Westinghouse
Goodyear	Woolworth's
Int. Harvester	
Int. Nickel	

Rickard-Ramore

Some years ago I purchased 100 shares of Rickard-Ramore Gold Mines. Can you tell me if the company is operating?

Rickard-Ramore Gold Mines was placed in bankruptcy and assets were acquired in 1938 by Twindyke Mines. Consideration was one pooled share of Twindyke for each three old vendor shares of Rickard-Ramore and two pooled shares of Twindyke for each three old shares purchased for cash.

The old Rickard-Ramore property of 10 claims in Rickard twp., Abitibi-Nighthawk Lake area, was developed by a shaft to 250 ft. and a winze to 475 ft. The present interests resumed diamond drilling on the acreage last year and had made tentative plans to sink a new shaft on the central portion of the property. Twindyke also controls four claims in McElroy twp., Larder Lake area, Ont.

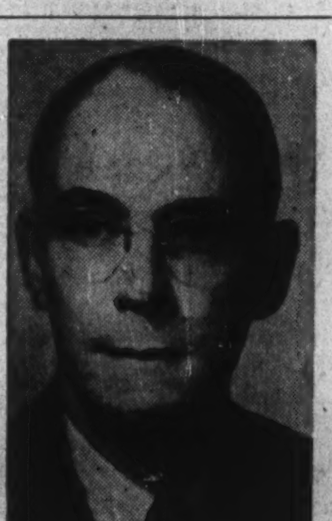
Barry-Hollinger

I have held shares of Barry-Hollinger Gold Mines for many years. Could you tell me if they are of any value?

Barry-Hollinger Gold Mines changed its name in 1927 to Barry-Hollinger Mines on a one-for-two old share basis. The shares of Barry-Hollinger Mines are regarded as valueless.

Development of the Matheson, Ont., property was suspended on Nov. 19, 1936, due to lack of finances. A station had been cut at the 125-ft. level, but little work was done and results were reported inconclusive.

Shares were removed from trading on the Toronto Exchange on Dec. 16, 1936.



JACK W. SCOTT

of the Waterloo Trust & Savings Co., Kitchener, has been elected President of the Trust Companies' Association of Ontario.

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DIVIDEND NOTICES

THE BELL TELEPHONE COMPANY OF CANADA

NOTICE OF DIVIDEND

A dividend of Two dollars per share has been declared payable on the 15th day of July, 1947, to Shareholders of record at the close of business on the 16th of June, 1947.

Montreal, May 28, 1947

L. C. Sadding, Secretary

SOUTHERN CANADA POWER COMPANY, LIMITED

The Board of Directors has declared this day the following dividends:

6% Cumulative Participating Preferred Stock

No. 118, quarterly, $1.50 per share, payable July 15th, 1947, to holders of record at the close of business June 20th, 1947.

No par value Common Stock

No. 89, quarterly, 25c. per share, payable August 15th, 1947, to holders of record at the close of business July 18th, 1947.

L. C. HASKELL, Secretary.

Montreal, April 25th, 1947.

The Ontario Loan & Debenture Company

240th DIVIDEND

Notice is hereby given that a Quarterly Dividend of $1.25 per share for the current quarter ending 30th June, 1947, has been declared on the paid-up Capital Stock of this Company and will be payable at the Company's Office, London, Ontario, on the 2nd July, 1947, to Shareholders of record at the close of business on the 16th June, 1947.

By Order of the Board.

T. H. MAIN, Manager.

London, Ontario, 27th May, 1947.

THE FOUNDATION COMPANY OF CANADA LIMITED

DIVIDEND NOTICE

Notice is hereby given that a Dividend of thirty-five (35) cents per share for the Quarter ending June 30, 1947, has been declared on the No Par Value Common Stock of the Company, payable July 22, 1947, to Shareholders of record at the close of business on June 30, 1947.

By Order of the Board.

A. G. SULLIVAN, Secretary.

Montreal, May 26, 1947.

The Sherwin-Williams Company of Canada, Limited

Notice is hereby given that the One Hundred and Forty-Fourth quarterly dividend of one and three-quarters per cent (1¾%), being at the rate of seven per cent (7%) per annum, for the quarter ending May 31, 1947, on the Preferred Stock of the Company, has been declared payable July 2, 1947, to Shareholders of record the 10th day of June, 1947.

Books not closed.

By Order of the Board.

P. W. HOLLINGWORTH, Secretary-Treasurer.

Montreal, Que., April 3, 1947.

The Monarch Knitting Company, Limited

NOTICE OF DIVIDENDS

Notice is hereby given that the following dividends have been declared subject to the approval of The Foreign Exchange Control Board:

On the 4½% cumulative redeemable sinking fund preference shares:

A dividend of 75c per share for the two months' period ending June 30, 1947, payable on and after July 1, 1947, to the holders of record at the close of business on June 14, 1947.

On the common shares:

A quarterly dividend of 15c per share for the quarter ending June 30, 1947, payable on and after July 1, 1947, to the holders of record at the close of business on June 14, 1947.

A special dividend of 10c per share in addition to the above-mentioned quarterly dividend payable on and after July 1, 1947, to the holders of record at the close of business on June 14, 1947.

By order of the Board.

D. A. McINTOSH, Secretary.

Toronto, May 28, 1947.

Dominion Glass Company Limited

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 30th day of June, 1947.

Notice is also hereby given that a dividend of Twenty-five cents (25 cents) per share has been declared on the COMMON STOCK of the Company for the quarter ending the 30th day of June, 1947.

The above Dividends will be paid on Tuesday, the 15th day of July, 1947, to shareholders of record at the close of business Thursday, the 26th day of June, 1947.

By Order of the Board.

F. N. DUNDAS, Secretary.

Montreal, 28th May, 1947.

Verney Mills of Canada Ltd.

DIVIDEND NOTICE
PREFERRED SHARES

NOTICE is hereby given that a regular quarterly dividend of 1⅛% (56c) per share has been declared on the outstanding 4½% Cumulative Redeemable Preferred Shares, payable July 1st, 1947, to shareholders of record at the close of business on June 9th, 1947.

JOHN G. PORTEOUS, Secretary.

MONTREAL, May 27th, 1947.

WOOL COMBING CORPORATION OF CANADA LTD.

A dividend of twenty-five cents (25c) per share on the outstanding shares of the par value of five dollars ($5) each of the Company has been declared payable July 10, 1947, to shareholders of record June 25, 1947.

Dated at Toronto this 28th day of May, 1947.

D. A. McINTOSH, Secretary.

DIVIDEND NOTICES

Chartered Trust and Executor Company

Dividend No. 114

NOTICE is hereby given that a dividend of 1¼% has been declared on the paid-up Capital Stock of the Company for the quarter ending June 30th, 1947, payable July 2nd, 1947, to shareholders of record at the close of business June 16th, 1947.

By order of the Board.

E. W. McNEILL, Secretary.

Dated at Toronto May 20th, 1947.

PROVINCIAL PAPER LIMITED

Notice is hereby given that Regular Quarterly Dividend of 1% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable June 16th, 1947, to shareholders of record at close of business June 5th, 1947.

W. S. BARBER, Secretary-Treasurer

GATINEAU POWER COMPANY

Notice of Dividend on 5% Cumulative Preferred, 5½% Cumulative Preferred and Common Shares.

Quarterly dividends have been declared of $1.25 a share on the 5% Cumulative Preferred Shares, $1.38 a share on the 5½% Cumulative Preferred Shares and 30c a share on the Common Shares; in each case payable July 1, 1947 to holders of record at the close of business May 31, 1947. Cheques in payment will be mailed. Stock Transfer Books will not be closed.

J. R. BINKS, Secretary.

Montreal, Canada, May 21, 1947.

DIVIDEND NOTICE

R. L. Crain Limited

NOTICE is hereby given that a dividend of ten cents (10c.) per share on the Capital Stock of the Company has been declared for the quarter ending June 30, 1947, payable on and after the second day of July, 1947, to holders of record at the close of business on the 16th day of June, 1947.

By order of the Board.

HENRY R. NURRISH, Secretary.

Dated at Ottawa, Ontario, this 29th day of May, 1947.

COCHENOUR WILLANS GOLD MINES, LIMITED

(No Personal Liability)

DIVIDEND NOTICE

INTERIM DIVIDEND NO. 12

NOTICE IS HEREBY GIVEN that an interim dividend of three cents per share in Canadian funds has been declared on the issued capital stock of Cochenour Willans Gold Mines, Limited (No Personal Liability) and will be paid on the 30th day of June, 1947, to shareholders of record at the close of business on the 10th day of June, 1947.

By Order of the Board.

G. M. HUYCKE, Secretary.

Toronto, Ont., 26th May, 1947.

Dominion Steel and Coal Corporation Limited

DIVIDEND NOTICE

Notice is hereby given that subject to obtaining the approval of the Foreign Exchange Control Board of Canada a dividend of 25 cents per share on the outstanding Common Class "B" shares of the Capital Stock of the Corporation has been declared for the half-yearly period ending June 30th, 1947, such dividend to be payable on July 21st, 1947, to shareholders of record at the close of business on June 23rd, 1947.

By Order of the Board.

R. C. McDonald, Secretary.

Montreal, P.Q. May 29th, 1947.

PARMENTER & BULLOCH MFG. CO. LIMITED

DIVIDEND NO. 2

NOTICE is hereby given that a dividend of $2.50 per Share on the outstanding common Shares of the Company has been declared, payable on and after the 10th day of June, 1947, to holders on record at the close of business on the 31st day of May, 1947.

Dated at Gananoque, Ontario, this 27th day of May, 1947.

A. T. CORNELL, Secretary-Treasurer.

MONTREAL LOCOMOTIVE WORKS, LIMITED

215 St. James Street, West, Montreal, P.Q.

DIVIDEND No. 5

A dividend of twenty cents (20c) per share on the Common Stock of this Company has been declared payable July 1st, 1947, to holders of record at the close of business on June 6th, 1947.

Transfer books will not be closed

CARL A. SUNDBERG, Secretary

May 27th, 1947.

DIVIDEND NOTICES WESTERN GROCERS LIMITED

NOTICE OF DIVIDEND

NOTICE is hereby given that the following dividends have been declared, payable July 15th, 1947, to shareholders of record June 13th, 1947:

On the Preferred Shares $20 par $1.40 series—35 cents a share;

Or alternatively $1.75 a share on the Preference Shares $100 par not yet exchanged for Preferred Shares $20 par pursuant to Arrangement dated June 21st, 1946;

On the Class A Shares—50 cents a share;

Or alternatively $2.00 a share on Common Shares not yet exchanged for Class A Shares and New Common Shares pursuant to Arrangement dated June 21st, 1946.

W. P. RILEY, President.

Winnipeg, Man., May 31st, 1947.

Canada Steamship Lines Limited

A dividend of One dollar and twenty-five cents ($1.25) per share on the preference shares of Canada Steamship Lines, Limited, for the six months period ending June 30, 1947, was declared payable July 2, 1947, to shareholders of record June 6, 1947.

R. B. THOMSON, Secretary.

Dated at Montreal, this 3rd day of June, 1947.

Silverwood Dairies, Limited

CLASS "A" DIVIDEND No. 3

NOTICE is hereby given that the regular quarterly dividend of fifteen cents (15c) per share has been declared on the outstanding Class "A" shares of the Company, payable July 2nd, 1947, to shareholders of record June 10th, 1947.

By Order of the Board.

J. H. GILLIES, Secretary-Treasurer.

London, Ontario, 31st May, 1947.

SILVERWOOD WESTERN DAIRIES LIMITED

PREFERRED DIVIDEND NO. 9

Notice is hereby given that the regular quarterly dividend of One Dollar and Twenty-five cents ($1.25) per share has been declared on the Preferred Shares of the Company, payable July 2nd, 1947, to shareholders of record at the close of business June 10th, 1947.

By Order of the Board.

J. H. GILLIES, Secretary-Treasurer.

Canadian Westinghouse Company, Limited

DIVIDEND NOTICE

Notice is hereby given that on April 30, 1947, the Board of Directors of this Company declared a dividend of Thirty-Five Cents (35c) per share upon the outstanding Capital Stock of the Company, payable July 1, 1947, to Shareholders of record at the close of business, June 14, 1947, subject to the regulations of the Foreign Exchange Control Board of the Dominion Government.

Cheques will be mailed to Shareholders.

By Order of the Board,

W. A. CAMPBELL, Secretary.

Hamilton, Canada, May 31, 1947.

H. R. Macmillan Export Company Limited

Shareholders are advised that Dividend No. 27 in the amount of ten cents per Common Share and a bonus of ten cents per share has been declared in respect to the second quarter of 1947, payable June 30th, 1947 to registered shareholders of record June 9th, 1947. The transfer books of the Company at the office of the Transfer Agent, The Canada Trust Company, 455 Howe Street, Vancouver, B.C., will be closed from June 10th to June 14th, both dates inclusive.

G. D. Eccott, Secretary

Vancouver, B.C., May 29, 1947

CANADA PERMANENT MORTGAGE CORPORATION

Notice is hereby given that a Dividend of TWO PER CENT. on the paid-up Capital Stock of the Corporation has been declared for the current quarter, and that the same will be payable

WEDNESDAY, THE SECOND DAY OF JULY

next, to Shareholders of record at the close of business on the Fourteenth day of June, 1947.

By order of the Board.

WALTER F. WATKINS, Secretary.

TORONTO, May 21st, 1947.

NOTICE

Dominion Coal Company, Limited

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE is hereby given that the Annual General Meeting of the shareholders of DOMINION COAL COMPANY, LIMITED, will be held in the Assembly Room on the Third Floor of The Royal Bank of Canada Building, 360 St. James Street West, in the City of Montreal, P.Q., Canada, at 11 o'clock a.m., Daylight Saving Time, on Thursday, the 19th day of June, 1947, to receive the Report of the Board of Directors for the years 1945 and 1946, to elect a Board of Directors and to transact any other business that may properly come before the meeting.

By Order of the Board.

R. C. McDONALD, Secretary.

Dated at Montreal, P.Q., this 29th day of May, 1947.

Need Copious June Rains To Ensure Western Crop

Special Correspondence

WINNIPEG — Western fields need rain, frequent and copious, within the next few weeks. Granted a sufficiency of June rains, hopes will be entertained for a good crop.

June rains are important every year; but they have an added importance this season, because spring rainfall has been much less than normal. There has been a tendency to ignore that fact, because moisture conditions, both subsoil and surface, were fairly good when spring began. In fact, seeding was delayed over large areas because for a period, due to the slow melting of winter snows and delays in drying, the land was too wet to work at the normal time.

Seeding was late in starting nearly everywhere and the tendency was to hope that rains might hold off until the seed could get into the ground. Seeding was further delayed because of continued cold weather, with frost continuing close to the surface much later than usual. To a large extent, farmers remained off their fields, hoping for germination of weed seeds, which could be destroyed by subsequent cultivation before the seed drills were put to work.

Seeding Speeded Up

For a time, the delays in seeding operations caused a good deal of apprehension. Such a slow start, in earlier years, when farm work was mainly done by horse, would have been a very serious matter. However, during the last half of May a demonstration was afforded of the speed with which farm work can now be done by the use of tractors and it was felt that farmers would succeed in getting in a full acreage.

Undoubtedly, the wheat acreage would have been larger had farmers been able to get an earlier start on the land. They continued seeding wheat up to and beyond the date usually considered safe and desirable, normally in some areas about the middle of May, while in other areas May 24 is regarded as a suitable termination for wheat seeding. Some wheat continued to be put in until nearly the end of May. Oats, barley and flax, which can be seeded later, then went in.

Alarm was caused by widespread and severe frosts during the last nights of May. At first, belief was widespread that heavy damage might have been caused to crops which by that time were well above ground. The general principle is that while wheat can stand a good deal of frost in its early stages, other crops are much more susceptible to damage, particularly when the young shoots are at their tenderest. Now it is believed that the grain came through those frosts with very little damage. There is, in fact, congratulation that the crop was so late in being seeded, and that oats, barley and flax were to so small an extent, sufficiently sprouted as to incur damage.

No Cause For Alarm

The season is still backward. However, the grain crops seeded have made excellent progress. Actual weather is considered to have been all to the good. The theory is that it encourages the young plants to develop a good root system, whereas warmer weather might have promoted top growth, to a greater extent than available moisture would continue to support. In addition, cool weather promotes stooling of the grain, highly important if a good crop is to be produced.

Reports that rain is needed come from a multitude of points over a wide area. This does not mean that as yet there is nervousness as to the crop outlook. It rather represents a general understanding that the accustomed June rains must come along if this season's crop is to realize the good possibilities that still exist for it. While different factors have involved some threat to this year's production, nothing has yet happened to prevent an excellent crop's being harvested.

Pacific Nat. Exhibition 'Show Window on Pacific'

Pacific National Exhibition makes its debut Aug. 25, but the folks around Vancouver will recognize it as an extension of the exhibition they've been trekking to for decades.

They're hungry for something like this. No Exhibition has been held in Vancouver since 1941. Promptly after Pearl Harbour, the sprawling Exhibition Park on East Hastings St. was taken over as a Japanese evacuation centre; later it was acquired by the Defense Department.

Now the Exhibition's back again—for eight days, between Aug. 25 and Labor Day, Sept. 1 — and with a new name to indicate its wider scope. It starts out with a budget of $135,116 to cover the costs of the eight-day affair, compared with $70,063 in 1941.

Under Mackenzie Bowell, president, and V. Ben Williams, general manager, Pacific National Exhibition offers a program aimed at making good the claim that it is "Canada's Show Window on the Pacific."

A great deal of work has been involved in getting Exhibition Park back in shape again. So far, the manufacturers' building, restaurant building, and other accommodations have been renewed, but PNA's complete postwar plan will take several years to unfold.

Entries are expected this year from all over western Canada and parts of the United States. Competition is open in 25 categories, covering everything from horses to Indian products. Some are for "Junior Farmers" — that is, boys and girls between the ages of 10 and 20. The prize list has grown, with more classes added and fatter prizes.

Closing dates for entries are: horses, cattle, sheep, swine, goats, Aug. 2; all other departments except horticulture, Aug. 11. Closing dates for horticultural products are: field crops and garden vegetables Aug. 16; floriculture, Aug. 18; district, society, and individual exhibits, Aug. 11; fruit, Aug. 16.

It won't be entirely a farmer's show. There'll be plenty of opportunity for housewives to get their first glimpses at some of the sleek new products which have recently entered the postwar market. And those who attend for pure fun will find it.

DIVIDEND NOTICES

NOTICE OF DIVIDEND

JOHN LABATT LIMITED

Notice is hereby given that Dividend No. 9 of twenty-five cents per share has been declared on the outstanding no par value common stock of the Company, payable on the first day of July, 1947, to shareholders of record June 12, 1947.

By order of the Board.

L. C. BONNYCASTLE, Secretary

London, Ontario, May 31, 1947.

The B. Greening Wire Company Limited

COMMON DIVIDEND NO. 39

Notice is hereby given that at a meeting of the Directors of The B. Greening Wire Company, Limited, held in the office of the Company on May 26, 1947, a dividend of Five cents per share on the Common Shares of the Company was declared payable July 2nd, 1947, to shareholders of record June 2nd, 1947.

F. J. MAW, Secretary.

Hamilton, Ont., May 27th, 1947.

National Steel Car Corporation Limited

NOTICE OF DIVIDEND

Notice is hereby given that a dividend of thirty-seven and one-half cents (37½c) per share has been declared for the quarter ending June 30, 1947, payable on July 15, 1947, to shareholders of record at the close of business June 14, 1947.

By Order of the Board.

H. J. FARNAN, Secretary.

Princess Oil Hopes Soar Too With Good Oil In New Well

Is the Princess area, 120 miles southeast of Calgary, to provide another important plains oil field?

A rise of 900 ft. of gas-cut oil in a single hour at the new No. 1 well of Federal Oil Syndicate this week reinforced previous beliefs that this might prove possible. Financed in part by B. A. Oil Co., the Federal Oil well was completed in the Madison at 3,343 ft., showed no trace of water.

Area Producing Already

With water-free crude already being produced from South Princess No. 3 well (200 bbl. potential), three quarters of a mile to the northwest, and Empire Pacific No. 2 about five miles to the northwest, the Princess area was beginning to spread out.

Steps are now reported being taken to turn South Princess No. 2, 1¾ miles southeast of South Princess No. 3, into a producer. This well, which found oil in the Madison, was deepened to the Devonian where water was encountered. A faulty Devonian water shutoff prevented the well from being a producer but water is now being cleared from the well site preparatory to completing a special plastic water shut-off.

Companies operating in the area feel that Madison production has been proven for a length of nearly six miles by a half mile width. The field, it is said, could prove up to 12 miles long by four to six miles wide. These dimensions, if realized, would give an area greater than Turner Valley.

Cost of drilling and equipping wells runs about $40,000 a well or less than a quarter that of Turner Valley wells. Crude value is about $2.33 a barrel against $2.94 a barrel for Leduc crude.

Drill stem test of the Federal Oil Syndicate well is stated to indicate a potential similar to South Princess No. 3 well.

Activity in the area is increasing rapidly. Three to four drill rigs are expected to be active all summer, it is stated. California Standard Co. is about to finish an important test 2½ miles due west of the South Princess No. 3 well. When this well is finished, a north offset will be drilled to South Princess No. 3.

Federal Oil Syndicate will drill an offset immediately to the east of its first well.

A test to the south will be the Princess Brooks No. 3 well, two miles south of South Princess No. 3.

Work in the Princess area has been chiefly pioneered by California Standard Co. (subsidiary of Standard Oil of California), Princess Petroleums, Pacific Petroleums and Empire Petroleums, each of which has a large acreage of favorably located ground for further drilling should present favorable indications continue.

Winnipeg Water District Offers $500,000 Issue

From Our Own Correspondent

WINNIPEG—The Greater Winnipeg Water District is offering a $500,000 bond issue to refund a maturity due July 1.

The new bonds will be issued for a 20-year period at 2½%. Proceeds of the sale, together with $105,910 drawn from the sinking fund, will retire an issue made three years ago in New York.

Saskatchewan Would Invade Aviation Field

From Our Own Correspondent

REGINA — Commercial aviation is the latest field eyed by the CCF Government, which is reported contemplating an air line service out of Prince Albert and Lac la Ronge, to cover far northern areas of the province. No formal application has yet been made to the Dominion board of Transport Commissioners for a license, although preliminary inquiries have been made.

At present the M. and C. Aviation Co. operate a schedule service north from Prince Albert to Montreal Lake, Lac la Ronge and Stanley Mission, and a service northwest to Ile a la Crosse, Buffalo Narrows and La Roche.

The proposed air line would be operated under the Natural Resources Dept. which now has 11 aircraft covering the northern area on government business. The aircraft division of the department was formed in September, 1945, since when the 11 planes have flown over 4,000 hours.

Runways are already being constructed at Lac la Ronge to accommodate wheeled aircraft flying between there and Prince Albert.

Big Cuban Crop Boosts Sugar

OTTAWA (Staff)—Depressing reports on the domestic sugar beet crop due to frost and late seeding have failed as yet to sour a generally bright picture on the consumer sugar front.

Most important "good" news is that the big Cuban crop is running a good 10% better than forecast. This means at least six million, instead of 5.5 million tons from that one country. It means that the "phantom" allotment made by the allocation authorities some months back may actually be realized. It means very likely that the extra dividend promised Canadian housewives later this year will materialize.

The "phantom" allocation amounted to about 800,000 tons. It was sugar which was allocated without being supported by any actual supply. It was a device to enable the Americans to announce their politically-desired allocation of 93 pounds per capita for 1947.

Because of the larger-than-expected crops in Cuba and other areas, this phantom supply will now most likely be realized. Thus if Canada is successful in shortly obtaining physical delivery from Cuba of her entire allotment, she will be in a comfortable position relative to the present ration and future action by United States toward decontrol. Much of Canada's share of the Cuban crop is already here in Canada.

Grain Prices

Winnipeg Grain Futures

Week to June 2, 1947

Crop year from Aug. 1, 1946 High	Low		High for week	Low for week	Close June 2
		Oats*			
.65	.65	May	.65	.65	.65
		Barley*			
.93	.93	May	.93	.93	.93
		Rye			
3.52	2.11⅞	July	3.43½	3.30	3.40
2.72¼	1.18½	Oct.	2.72¼	2.56	2.57⅞
2.56	2.22¼	Dec.	2.56	2.39¾	2.40⅝

*At ceiling.

Cash Quotations

For Week

	June 2 High	June 2 Low	Prev. Week High	Prev. Week Low
Oats*				
2 C. W.	.65	.65	.65	.65
3 C. W.	.65	.65	.65	.65
Barley*				
1 Feed	.93	.93	.93	.93
2 Feed	.93	.93	.93	.93
Rye				
2 C. W.	3.72½	3.55	3.56½	3.50½

*At ceiling.

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OFFICES THROUGHOUT CANADA

What's in a Name?

HOW did the Manufacturers Life get its name? When the company was formed in 1887, most Canadians were dependent on agriculture for their livelihood. Sir John A. Macdonald was Prime Minister. His famous "National Policy" was being debated in every town and hamlet.

Sir John claimed that no country could be great with only one industry. Manufacturing activities were needed to balance the economy — broaden the market — utilize the bent of thousands towards manufacturing pursuits. Full national development called for "manufacturers". The choice of that name for the Company was in tune with the spirit of the times and was a tribute to Sir John who was the Company's first president.

The word "Manufacturers" stood for progress and The Manufacturers Life has progressed with the land that gave it birth. Its activities have spread far beyond her shores. It is known throughout the world as a sound financial institution.

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1 Royal Bank Building, Brandon, Man.

ASSETS OVER $13,000,000.00

Life Insurance Sales Dip Below 1946 Level

Decline of 1½% Seen in April, First in Almost Two Years — Four Months Total Shows Gain of 9% Over Same Period Last Year

For the first time in almost two years, sales of new ordinary life insurance have dipped below the level of the previous year. Total sales in Canada and Newfoundland in April were $103.4 millions against $104.9 millions in April 1946, a decline of about 1½%.

The recession in the Canadian area is estimated as considerably less than in the United States, and is not regarded as indicating any unhealthy condition.

For over a year, agency managers discussing the large life insurance sales, have noted little competition for the policyholder's dollar. There was plenty of money in the public's hands and relatively little to spend it on, owing to the scarcity of new automobiles, electric washing machines, etc.

Now, while the level of employment remains high, there is not quite so much money around. Veterans' gratuities and rehabilitation grants have been pretty well absorbed.

Competition Keener

Life insurance agency executives state their salesmen are finding the going tougher. Apart from the competition of more consumer goods and services now being offered, there are a lot more salesmen on the road and as they also are doing a selling job, a life salesman has to give even better service than he did before.

The decline in total sales of $1.5 millions is due to a flattening out in Saskatchewan, Manitoba, Ontario and Prince Edward Island. The other provinces, and Newfoundland, showed gains.

In some quarters May sales are stated to be well up over April.

One agency executive told The Financial Post that even if there is some decline from 1946, last year was such an excellent year that there could be quite a drop and still the total volume could be well up over other previous years. Total sales for the first four months of 1947 are about 9% more than in 1946.

Part of the April decline is attributed to bad weather in March. In many cases, it is said, it takes about a week to get a policy through and the bad March weather, combined with the usual time to get contracts through, meant that considerable business actually done in March, which would normally show up in the April totals, was lacking. May business is reported as very good.

Dwight L. Clarke, president of the American Life Convention and president of the Occidental Life Insurance Co. of California, recently reported that life insurance sales were levelling off while policy loans were showing a tendency to rise. This tendency had been reported by some Canadian life insurance executives in their annual addresses last January and February.

Mr. Clark quoted the president of one industrial life company as stating that sales of industrial life insurance were down more than other kinds. He said, "There is less working on double shifts. Many wives are giving up their jobs and going back to housekeeping." He believed that interest rates had passed their lowest point, having been rising slowly since the spring of 1946.

Provincial sales totals, with comparisons, follow:

Sales of New Ordinary Life Insurance in Canada and Newfoundland
(000 of $)

Sales in April

	1947	1946
British Columbia	9,122	7,880
Alberta	6,070	5,943
Saskatchewan	3,054	4,106
Manitoba	5,422	6,173
Ontario	42,821	46,223
Quebec	28,866	27,170
New Brunswick	3,752	2,561
Nova Scotia	3,968	3,941
Prince Edward Island	348	366
Newfoundland	948	785
Total for Canada and Newfoundland	103,391	104,949

Sales by Months
(000 of $)

	1947	1946
Jan.	101,411	82,372
Feb.	100,241	83,225
Mar.	104,083	102,748
Apr.	103,391	104,949
May	......	105,535
June	......	104,830
July	......	106,880
Aug.	......	86,050
Sept.	......	90,682
Oct.	......	105,734
Nov.	......	110,510
Dec.	......	97,677
	409,126	1,186,392

W. H. LEGGAT
of Leggatt & Co. has been elected a member of the Board of Management of the Montreal Curb Market.

Overcrowding of Living Quarters Held to Blame For Many Death Fires

Overcrowding of living quarters is responsible for a substantial increase in fire deaths in Canada and the United States, W. E. Mallalieu told the annual convention of the National Fire Protection Association at Chicago.

Mr. Mallalieu is general manager of the National Board of Fire Underwriters. The NFPA is an international body to which many Canadian insurance underwriters and fire prevention officials belong. At their recent convention fire prevention and fire protection in both countries was discussed in conjunction with construction codes and housing plans which would reduce the fire hazard. Said Mr. Mallalieu:

Must Insist On Safety

"We have been acutely conscious of and concerned with the substantial increase in deaths in fires due to overcrowding of living quarters. Very serious hazards to life exist in buildings all over this country and Canada that are not suited, without extensive changes which have not been made, to house numbers of people. We cannot wait for new housing to solve this problem and I think it behooves all of us to strive to bring forcibly to the attention of authorities and the public that we are doing no favor to our returning veterans to house them in fire traps. We have a right and responsibility to insist on life safety features in all places where people sleep.

"To mention just one special phase of this situation, nearly every college and university throughout the country has an overcrowded dormitory situation with consequent hazard to the occupants. Why we have not had a serious loss of life in some college dormitory this winter, I am unable to understand. The hazard has been prevalent and obvious. We should not wait until such a disaster develops before steps are taken to insist on life safety in such places.

"There is a tendency in times like these of heavily increased losses from fires to somehow try to shift the responsibility away from the individual property owner and the individual city authorities. In recent months there have been proposals to set up federal fire safety bureaus, federal aid for fire departments, federal hotel safety control, and the like. It does not seem to me that such proposals are clearly thought through or necessarily desirable. The prime responsibility for fire waste control must, it seems to me, rest on the individual owner of property and the local authority responsible for the safety of people and property. For many years the National Fire Protection Association campaigned for the principle of individual liability for fires. Fire should be considered as a misdemeanor against society or as a failure on the part of society to take the proper measures to stop such mistakes or even crimes.

"I still believe that a big factor in the most favorable fire records of European countries as compared with our own is the adherence to the Code Napoleon principle that fire is a crime against society and must be accounted for. In this free country no one wants to suggest undesirable limitation upon the freedom of the individual, but no individual should be permitted the freedom to be so careless about fire that he endangers the lives and the property of his neighbors.

Careless Smoking

"From all of the available information, it is perfectly clear that careless smoking is the principal cause of fires and has become a very important cause of deaths and injuries in fires. During the past year we appealed to the presidents of each of the large cigarette manufacturing companies in turn upon the ground that they had an obligation and responsibility to educate smokers in careful habits. Here are a group of companies that spend tremendous sums of money on radio programs, on magazine and newspaper advertising, and the like. Have you ever seen in any of this advertising any words of advice or caution as to the safe disposal of lighted matches and cigarettes? One of the large Canadian cigarette manufacturers prints on each package the words: 'Caution, prevent fires by match or cigarette, stub out before throwing away.' I know of no cigarette package issued in this country that carries any similar warning. I believe that an educational campaign on fire prevention by the cigarette companies would substantially reduce fires and deaths by fires without hurting the sale of their product."

Alvin E. Dodd of New York, president of the American Management Association, laid great stress on the human element in fire protection.

Fire prevention and fire protection had passed through the mechanical phase where emphasis was on construction and structural safeguards and the educational phase where emphasis was on safety campaigns, meetings and contests, into a period centring on the human hazards arising from individual temperament which makes people susceptible and likely to cause fires, he stated, and added:

Human Behavior

"Statistics show that 80% of all accidents including fires involved some fault of human behavior but little consideration has been given as yet as to finding why people do unsafe things. A recent check showed only a handful of business firms are studying the human aspects of fire prevention today.

"The safety engineer it seems is concerned with preventing spontaneous combustion from the accumulation of greasy rags in confined places, but he rarely thinks of accidents as stemming from human causes other than ignorance of safety rules."

Emotional Disturbances

He cited several causes of fires in industrial plants arising from carelessness which could be traced to emotional disturbances and lack of adjustment to environment on the part of individuals responsible. Worry over ill health in the family, debts, marital unhappiness and similar situations none of which could be treated by posters, safety meetings or safety engineering were at fault, he added.

Each fire results from a combination of physical hazards and human errors which can be eliminated by "using every available means of determining and controlling work habits and practices and the individual social and economic causes that underly them," he declared.

The public, he believes, does not sufficiently realize that a fire in a community decreases workers wages, and purchasing power which in turn affects the merchants and increases the burden on the taxpayers by removing property from the tax rolls and can even force employees to seek work elsewhere.

MASSEY-HARRIS CO. has advised the Toronto Stock Exchange that an additional 12,232 common shares have been purchased by employees in accordance with resolution of directors dated Jan. 9, 1946. There are now 1,170,094 common shares outstanding.

Peruv. Airways Flights Going

Peruvian International Airways is now operating regular passenger flights two days a week—Wednesday and Saturday—from Lima, Peru to Havana, Cuba, with a stop at Panama, The Financial Post is told. First scheduled passenger flight reached Havana on May 15, 1947.

The hearings before the Civil Aeronautics Board of United States which were necessary to obtain a permit to operate in the United States, have been completed but the Board's decision has not yet been received. No application will be made to operate into Canada until authority has been received for flights to New York, it is stated. Permission has been obtained for flights into Chile whenever desired.

Plans contemplate a line between Lima, Peru and Montreal, with stops at Panama, Havana, Washington and New York. One round trip a day is the initial objective.

Present connections by way of National Airlines allow a traveller—twice a week—to leave New York at nine a.m. and arrive in Lima at 3.40 p.m. the next afternoon, after a flight of 4,000 miles. Other connections by way of Pan American Airways and Eastern Air Lines are available.

Capital for this enterprise came from Canadian, Peruvian and U. S. investors. J. H. Gundy of Wood, Gundy & Co., was one of the principals in its organization and is a director.

No one can place a price tag on employee goodwill—to have employees say "it's a good firm to work for" is an invaluable asset. The regard employees have for their employer is reflected in their everyday work, and influences both the quality and the quantity of the product.

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HEAD OFFICE TORONTO

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19 All Medical Reimbursement
20 Aviation Coverage

INSURANCE should be built to *your* needs — fitted as efficiently as a custom-built shoe. That's why British Northwestern designed its popular "Twenty Point Star" policy — a policy that gives *all* the accident protection you need, at the lowest possible premium cost — for you pay for *only* the protection *you* need.

The Star policy can be purchased in almost any combination of its twenty points of protection. That's how you get custom-built insurance coverage through the Star policy.

The British Northwestern representative will be glad to discuss your protection requirements with you.

Enjoy all the protection you need—pay only for the protection you need.

The British Northwestern Fire Insurance Company
HEAD OFFICE: TORONTO
Branch Offices: Winnipeg, Calgary, Vancouver

THE WEEK'S QUOTATIONS

Montreal and Toronto Winnipeg, Calgary and Vancouver

Quotations here listed are the official stock exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING MAY 30

Range 1947 High	Low	Div R'te $	May 30 Y'ld %	Company	Sales	Last May 23	Week end. May 30 H	L	Cl'se
21⅛	14½	..	...	Abitibi, new ..	4243	15½	15⅞	15	15⅞
22	17	..	...	Do $1.50 pr n	5090	18½	19½	18⅞	19½
43	37½	‡6.25	..	Do. $2.50 pf n	275	42½	42½	42	42
23½	20½	1.00	4.8	Acadia Atlan A	720	21	21½	20⅞	21
11½	8	‡.25	...	Acme Glove. ..	250	9½	9½	9½	9½
35	32	‡1.00	..	Agnew Surp. ..	130	33	33½	32⅞	33
30	21	..	...	Algoma Steel..	905	27	28½	27½	28½
27⅞	26	1.00	3.7	Alum of Can p	370	27	27	26½	26⅞
211	188	8.00	4.0	Aluminium ...	519	195½	199	195	199
15	11	‡‡.25	..	Andian Nat. ..	21	11½	11	11	11
53	51½	2.25	4.3	Ang Can Tel p	20	51	52½	52½	52½
9½	6	.40	5.9	Argus	1865	7	7	6⅞	6⅞
98	91½	4.50	4.8	Do. 4½% pref	40	92	94	91½	93
2.00	1.00	..	...	Do. Warr. ..	510	1.00	1.05	1.00	1.00
				Asbestos	650	26	27	26	27

Range 1947 High	Low	Div R'te $	May 30 Y'ld %	Company	Sales	Last May 23	Week end. May 30 H	L	Cl'se
5½	3½	..	...	Gen. Bakeries.	750	3½	4	3½	4
20	18	‡.50	...	Gen. Product A	120	18	18	18	18
18½	15½	.80	5.0	Gen. St. Wares	730	15½	16	15½	16
108½	105	5.00	4.8	Do. pref.	27	105	105⅞	105	105
113	99	4.00	4.0	Goodyear Tires	125	100	100	99	100
55½	53	2.00	3.7	Do. pref.	80	53⅞	54½	54	54
11⅞	11½	.50	4.3	Gor MacKay A	115	11½	11⅞	11½	11⅞
34½	23½	1.20	4.5	Gt. Lakes Pap.	1455	25½	26½	25⅞	26⅞
78½	62	2.50	3.5	Do. pref.	970	71	72	70½	72
13⅞	13½	.	...	Do. n. c.	2190	..	13⅞	13⅞	13½
47½	46½	.	...	Do. n. p. 2½%	785	..	47½	46½	47
9	6	.	...	Gt. West Felt.	35	9	9½	9	9
11	9½	.50	5.0	Do. pref.	35	10	10	9⅞	10
410	396	15.00	3.0	Gt. West-Life..	1	410	396	396	396
16½	13	.80	5.6	Gypsum, Lime	1155	13⅞	14½	13½	14½
20	19½	1.00	5.1	Hahn Brass, pf	10	19½	19½	19½	19½
9½	6	.	...	Ham. Bridge ..	125	6	6½	6½	6½
				Harding Carpet	325	10½	10½	10½	10½

Mining Stocks

Week Ending May 30

Range 1947 High	Low	Div. Rate $	Yield %	Company	Sales	Last May 23	Week Ending May 30 High	Low	Close
				Akaitcho...	3,900	.95	1.10	1.00	1.05
1.50	.95	....	....	Alger.....	23,600	.17	.17	.14½	.16
.32	.12	....	....	Amal. Lard.	66,733	.81	1.05	.81	1.05
1.90	.74½	....	....	Am. Neph..	2,100	.67	.75	.70	.75
.85	.65	....	....	Amer. Y.K.	500	.13	.14	.14	.14
.19	.10	....	....	Anglo-Hur..	2,107	8.00	8.75	8.45	8.65
9.25	8.00	.20	2.3	Ansley.....	3,500	.06	.08	.08	.08
.12	.06	....	....	Aquarius....	1,085	.45	.50	.33	.50
.70	.33	....	....	Area.......	100	.06½	.05	.05	.05
.13½	.05	....	....	Arjon......	18,100	.13½	.18	.15	.17
.30	.10½	....	....	Armistice...	41,200	.60	.71	.56	.71
1.03	.41	....	....	Arno.......	1,500	.03½	.04	.03½	.04
.07	.03	....	....	Ashley.....	98,300	.06½	.11½	.07	.11
.17	.06	....	....	Astoria Q..	29,850	.12	.13	.12	.13
.23	.08	....	....	Athona '37.	33,600	.14½	.17	.14	.15½

Dividends Declared

Company	This payment $	Date payable	Date of record
Abitibi Pr. & P. pf.	a6.25	July 1	June 16
Acadia-Atlan. Sug.	.25	July 2	June 10
Do., pf. 5%	1.25	June 15	May 20
Acme Glove pf.	.50	June 1	May 15
Amer. Cyanamid	†.25	July 2	June 4
Anglo-Nfld. Dev.	.60+.40	July 31	June 24
Asbestos Corp.	.20	June 30	June 6
Associate T. & T.	†1.02	June 9	May 9
Do., 7% pf.	†1.19	June 9	May 9
Auto Elec. Serv. A	*.12½	June 14	May 23
B. A. Bank Note	.25	June 16	May 19
Barber Ellis	.25	June 16	May 31
Beatty Bros., A	.50	July 2	June 14
Do., B	.50	July 2	June 14
Belgium Glove	.15	July 1	June 12
Do., 5% pf.	.25	July 1	June 12
Beld.-Corticelli	1.50	July 2	May 31
Do., pref.	1.75	July 2	May 31
Bell Telephone	2.00	July 15	June 16
Brazil. Tract. pf. 6%	1.50	July 2	June 16
Brit. Amer. Oil	.25	July 2	June 5
Stanley Brock, A	.15	Aug. 1	July 10
Do., B	.10	Aug. 1	July 10
Bruck Silk Mills	.30	June 16	May 15
Brompton P. & P.	.25	July 15	June 20
Building Prod.	.25	July 2	June 2
Burlington Steel	.15	July 15	June 10
Butterfly Hosiery	.35	June 15	May 14
Canada Bread	.10	July 2	June 5
Do., 4½% pf.	1.12½	July 2	June 5
Do., 5% pf.	.62½	July 2	June 5
Can. Canners	.31¼	July 2	June 7
Do., 2nd pf.	.15+.10	July 2	June 7
Do., 5% pf.	.25+.05	July 2	June 7
Can. Cottons	.55	July 2	June 5
Do., 6% pf.	.30	July 2	June 5
Can. Cement, pref.	.32½	June 20	May 22
Can. Malting	.50	June 16	May 15
Can. Crushed Stone	.10	June 20	June 2
Can. North. Pwr.	.15	July 25	June 20
Do., 7% pref.	1.75	July 15	June 20
Can. Fdry. & F., A	.37½	June 16	May 30
Candn. Gen. Elec.	2.00	July 1	June 14
Candn. Ing.-Rand	.75	June 27	June 13
Can. Machinery	.25	June 28	June 10
Can. Perm. Mtge.	2.00	July 2	June 14
Can. Trust	3.00	July 1	June 14
Candn. Conv., A	.18¾	July 31	June 26
Candn. Breweries	.50	July 1	June 2
Candn. Indust.	.17½	July 31	June 30
Do., 7% pf.	1.75	July 15	June 13
Candn. Oil 4% pf.	$0.88767	July 2	June 20
Do., 5% pf.	1.25	July 2	June 20
Do., 8% pf.	2.00	July 2	June 20
Can. Foreign Inv.	.75	July 1	May 30
Candn. Food	.18¾	July 1	May 30
Do. A pf.	.25	July 1	May 30
Do. 4½% pf.	1.12½	July 1	May 30
Candn. Malartic	.02	June 25	May 22
Candn. Silk	.37½	June 30	May 31
Can. St'mship p. 5%	1.25	July 2	June 6
Capital Wire, pf.	.37	June 1	May 12
Cassidy's 7% pf.	1.75	July 2	June 2
Cockshutt Plow	.25	Dec. 31	Nov. 1
Chartered Trust	1.25	July 2	June 16
Cochenour Wlns.	.03	June 30	June 10
Com. Alcohols	.05	July 15	June 30
Do., 8% pf.	.10	July 15	June 30
Confed. L. 30% pd.	1.50	June 15	June 10
Do.	1.50	Sept. 15	Sept. 10
Do.	1.50	Dec. 15	Dec. 10
Cons. Bakeries	.25	July 1	June 6
Cons. Litho. Mfg.	.19	June 30	May 30
Cons. Press new A	▲.16¼+.05	July 1	June 13
Do., new B	.10	July 1	June 13
David & Frere, A	.25	June 30	June 14
Deb. & Sec. Corp., 5% pf.	2.50	July 2	June 23
Distillers Seag.	.15	June 16	May 26
Dome Mines	.25	July 30	June 30
Dom. Dairies 5% pf.	.44	July 15	June 30
Dom. Fire	3.00	July 2	June 18
Dom. Glass	.25	July 15	June 26
Do., pf. 7%	.35	July 15	June 26
Dom. Malt	.25	Aug. 1	June 30
Do.	1.25	Aug. 1	June 30
Dom. Stl. & Coal B	.25	July 21	June 23
Dom. Stores	.32½	June 14	May 17
Dom. Tar & Chem.	.25	Aug. 2	July 2
Do., pf.	.25	July 2	June 2
Dom. Textile	1.25	July 2	June 5
Do., 7% pref.	1.75	July 15	June 16
Donnacona P. 4½% p.	1.12½	Aug. 15	July 15
East. Can. Sav. & L.	1.50	July 1	June 20
Easy Washing	.25	July 2	June 14
Do.	.25	Oct. 2	Sept. 15
Ensign Ins. 50% pd.	1.50	July 2	June 15
Eddy Paper	.25	June 15	May 16
Electrolux	1.50	June 12	May 12
Famous Players	.20+.05	June 21	June 7
Fed. Fire Ins.	1.00	Aug. 15	Aug. 12
Fittings, A	.30	July 1	June 6
Ford Motor, A & B	.25	June 14	May 23
Foundation Co.	.35	July 22	June 30
Fraser Cos.	.50	July 25	June 30
Gair Co. 4% pf.	*1.00	June 2	May 15
Gatineau Pwr.	.30	July 1	May 31
Do., 5% pf.	1.25	July 1	May 31
Do., 5½% pf.	1.38	July 1	May 31
Gord. Mackay A.	.12½	June 14	May 16
Do., B	.12½	June 14	May 16
Grafton & Co.	.25	June 16	May 26
Gt. Lakes Paper A	.62½	June 30	June 10
Gt. West Sad. 1st pf.	.75	June 30	May 31
Do., 2nd pf.	.75	June 30	May 31
B. Greening	.05	July 2	June 2
Grouped Inc. Shs., A	.24	May 31	May 15
Gypsum Lime	.20	Sept. 1	Aug. 1
Do.	.20	Dec. 1	Nov. 1
Hahn Brass	.30	July 1	June 10
Do., pf.	.50	July 1	June 10
Harding Carp.	.30	July 2	June 13
Hollinger G. M.	.06	June 30	June 2
Hinde & Dauch P.	.25	July 2	May 31
Hudson Bay M.	.75	June 9	May 9
Hunt's Ltd., A & B	.20	July 2	June 9
Huron & Erie Mtge.	1%	July 1	June 14
Indust. Accept., A	.37½	June 30	May 31
Do., 4¼%	1.06¼	June 30	May 31
Do., 5%	1.25	June 30	May 31
Industrial Mtge.	1.25	July 2	June 15
Intnl. Coal & Coke	.01½	June 16	June 2
Intnl. Paper	†.75	June 28	June 6
Do., 4% pf.	†1.00	June 28	June 6
Inter-City Baking	.75	June 28	June 16
Intnl. Bronze	.37½	July 15	June 14
Do., pf. 6%	.37½	July 15	June 14
Intnl. Paints, pf.	.50	June 23	May 20
Intnl. Nickel	†.40	June 20	May 21
Imperial Tobacco	.10	June 30	May 13
Invest. Found., pf.	.75	July 15	June 16
Kerr-Addison	.03	June 27	May 31
Lake St. John P.	1.50	July 15	June 20
Lake Shore Mines	.18	June 14	May 14
J. A. Lang & Sons	.25	July 2	June 10
Lambton Loan	1.50	July 2	June 14
Langley's	.75	June 11	June 4
Do.	.75	Sept. 11	Sept. 4
Do.	.75	Dec. 11	Dec. 4
Levy Bros.	.10	July 2	June 2
Lewis Bros.	.25	July 31	June 30
Do.	.25	Oct. 31	Sept. 30
Do.	.25	Jan. 31	Dec. 31
W. H. Lowney	.12½	July 15	June 16
Macassa Mines	.02	June 16	May 16
MacKinnon Str. Steel, pf. 5%	1.25	June 16	May 31
Madsen Red L.	.04	June 17	May 27
L. McBrine, pf.	.50	July 1	June 14
Marcus Loew's	1.00	June 30	June 10
H. R. MacMillan	.10+.10	June 30	June 9
McCarthy Mill., A	.27½	July 1	June 14
Do., B	.07½	July 1	June 14
Melchers Dist. 6% p.	.30	June 30	May 31

Dividends Declared (Contd.)

Company	This payment $	Date payable	Date of record
J. S. Mitchell	.75	July 2	June 16
Mod. Containers A	.25	July 2	June 20
Mon. Knitting	.15+.10	July 1	June 14
Do., 4½%	‡.75	July 1	June 14
Mon. Life 30% pd.	6%	July 2	June 16
Montreal Locomo.	.20	July 1	June 16
Montreal Tel.	1.48	July 15	June 16
Montreal Trust	1.00	July 15	June 30
Montreal Cotton	.12	June 14	May 15
Do., pref.	.44	June 14	May 15
Molson's Brew.	.25	June 26	June 4
Moore Corp.	.55½	July 2	June 5
Do., 4% pf.	$0.167	July 2	June 5
Do., 7% A & B p.	†1.75	July 2	June 5
Natl. Biscuit	†.40	July 15	June 10
Nat. Brew.	.50	July 2	June 6
Do., 7% pf.	.44	July 2	June 6
Nat. Grocers	.15+.20	July 1	June 9
Do., $1.50 pf.	.37½	July 1	June 9
Nat. Hos., cl. A	.15	July 1	June 6
New Bruns. Tel.	.13	July 15	June 30
Niagara W. Weav.	.25	July 2	May 28
Noranda Mines	.50	June 16	May 15
Normetal M.	.10	June 14	May 15
Ogilvie Flour	.25	July 2	May 28
Ont. Beauty Sup.	.10	July 2	June 20
Do.	.10	Oct. 1	Sept. 20
Do., pref.	.25+.10	July 2	June 20
Do., ▲ pf.	.10	Oct. 2	Sept. 20
Ont. Steel	.25	Aug. 15	July 15
Do., 7% pf.	1.75	Aug. 15	July 15
Ottawa Elec. Rly.	1.00	July 2	June 2
Page-Hersey	.35	July 1	June 14
Paramount Pic.	†.50	June 13	May 23
Parmenter & B'loch	2.50	June 10	May 31
Paton Mfg.	.20	June 14	May 31
Do., pref. 7%	.35	June 14	May 31
Perron Gold M.	.01	June 30	May 30
Pickle Crow G. M.	.10	June 30	May 31
Placer Dev.	.25	June 13	May 23
Powell River	.35+.50	June 14	......
Power Corp.	.30	July 31	June 20
Do., 1st pref.	1.50	July 15	June 20
Do., 2nd pref.	.75	July 15	June 20
Pressed Metals	.25	June 10	May 10
Preston E. Dome	.01½	July 15	June 14
Price Bros. 4% pf.	2.00	July 1	June 2
Proprietary Mines	.03	July 9	June 9
Prov. Paper, 4% pf.	.50	June 16	June 5
Rand S. S.	.10	June 30	June 10
Reliance Gr., pf.	1.00	June 14	May 31
Rem. Rand	†.35	July 2	June 6
Do., pf.	†1.12½	July 1	June 6
Renfrew Tex., A	.15	July 1	May 30
Riverside Silk, A	.50	July 2	June 13
P. L. Robertson	.50	July 1	June 20
Do., 2.50 pf.	.62½	July 1	June 20
Rolland Paper pf.	1.06¼	June 16	May 31
Russell Ind.	.10	June 30	June 11
Do., pref. 7%	1.75	June 30	June 11
St. Lawr. Corp. A p.	.25	July 15	June 20
St. Lawr. Paper Mills pf.	1.50+1.50	July 15	June 20
Sag. Power, 4¼% pf.	1.06	July 1	June 11
Sarnia Bridge	.15	June 14	May 30
Sher.-Williams pf.	1.75	July 2	June 10
Sicks' Brew.	.20	June 30	May 30
Silknit 5% pf.	.50	June 14	May 30
Sigma Mines	.20	July 28	June 27
Simpsons, pref.	1.12½	June 10	May 16
How. Smith Paper	.25	July 30	June 30
Do., pf.	.50	July 21	June 30
South. Can. Pwr.	.25	Aug. 15	July 18
Do., 6% pref.	1.50	July 15	June 20
Stedman Bros.	.15	July 2	June 16
Sylvanite	.02	July 2	Apr. 23
Tip Top Tailors	.07½	July 2	June 2
Thrift Stores	.25	July 2	June 12
Trad. Fin., 4½% pf.	1.12½	July 1	June 14
Do., A com.	.50	July 1	June 14
Do., B com.	.50	July 1	June 14
Tooke Bros.	.10	July 3	June 16
Tor. Gen. Trusts	1.75	July 2	June 6
Trans-Can. Shs., A	0.276	June 1	coup. 28
Twin City Rap. Transit 5% pf.	†.62½	July 1	June 20
Tuckett Tob., 7% pf.	1.75	July 15	June 30
United Fuel 6% pf.	.75	July 2	June 10
United Serv. Corp. 7% pf.	.17½	July 2	June 2
United Steel	.17½	June 17	June 2
Verney Mills, 4½% p.	*.56	July 1	June 9
Viceroy	.09	June 15	June 1
Wabasso Cot.	1.00	July 2	June 14
Waite Amulet	.20	June 10	May 9
Walk.-Good.	.30	June 16	May 16
Wellington Fire	1.75	Aug. 15	Aug. 12
Westeel Products	.50	June 14	May 28
Willson Stat. 5% pf.	1.25	July 15	June 30
Wool Comb. Corp.	.25	July 10	June 25
Wilsil Ltd.	.25	July 2	June 1
Winnipeg Elect.	.50	June 30	May 15
Do., pf.	2.50	June 30	May 15
Woods Manuf.	▲.50	June 30	May 31
Wright-Har.	.04	July 2	May 27

†N. Y. funds. *Initial.
▲Participating div.
aEliminating arrears.
‡For period May 1-June 30/47.
§For period Apr. 10-July 2/47.
‡Net payment after deducting corp. income tax.

Record of Financing

Sales by Municipalities, Provincial and Dominion Governments. Offerings of Corporations and Foreign Securities

PROVINCIAL

Province of British Columbia — 2¾% sinking fund debentures, due June 15, 1968, $3,000,000, dated June 15, 1947, at $100.75 and accrued interest, yielding over 2.70%. Sold to Mills, Spence & Co. Ltd.; Bank of Montreal; Bell, Gouinlock & Co.; McLeod, Young, Weir & Co., and Burns Bros. & Denton.

MUNICIPAL

Town of Chatham, N.B.—3%, due May 15, 1967, $100,000, issued May 10, 1947, at $100.59. Sold to Mills, Spence & Co., Ltd.

City of Cap de la Madeleine, P.Q.—3%, due June 1948-67, $92,000, issued May 19, 1947, at $101.17, cost basis 2.9823%. Sold to Savard, Hodgson & Cie, and Bank Can. Nationale.

Village of Laurierville, P.Q. — 3%, 11-year serials, $6,000, issued May 19, 1947, at $100. Sold over the counter.

City of Kingston, Ont.—3%, due Jan. 2, 1948-57, $103,500, issued May 19, 1947, at $101.41. Offered by Bank of Nova Scotia.

Sanaterium Prevost, Cartierville, P.Q.—3% & 3½% due May 1, 1948-66, $120,000, 3½% due May 1, 1967, $280,000, issued May 19, 1947; 1967 maturity offered at $101.50 to yield 3.40% by Paul Gonthier & Co.

CORPORATE

St. Lawrence Lithographing—3½%, due Feb. 1, 1948-52, $57,500, 4% due Feb. 1, 1953-57 and 1958-62, $112,500, 4½% due Feb. 1, 1963-67, $55,000, issued May 27, 1947. The 1948 to 1962 maturities are offered at par and the 1963 to 1967 maturities at $101. Offered by Des Jardins, Couture Inc.

Calgary Power—3¼%, due June 1, 1972, $11,000,000, issued May 19, 1947. Sold privately by Royal Securities.

PREFERRED STOCKS

Burrard Dry Dock Company — 250,000 cumulative participating noncallable class A shares (no par value), at $9 per share, to yield 5%. Offered by Wood, Gundy & Company.

Central Northern Airways—30,000 class A shares 5% cumulative redeemable ($10 par value), at $10 per share, to yield 5%. Each class A share will carry a bonus of 1 class B share. Offered by Melady, Sellers & Co.

Volume of Stock Sales

	Montreal	Toronto	Vancouver	New York
June 2	205,700	1,687,000	230,858	640,000
May 31	......	......	......	....
May 30	264,200	2,166,000	330,954	1,130,000
May 29	172,700	1,585,000	152,125	1,130,000
May 28	180,400	986,000	69,710	850,000
May 27	177,900	904,000	67,360	

* N. Y. Funds. † Paid in 1945. a Extra. ‡ Paid in 1946. § Capital Repayment. ■ Sup. appl. F. E. C. B. § Paid or payable in 1947. ▲ Dividend deferred.

Stocks Not Traded This Week (Continued)

Company	Div. rate $	Last sale	May 30 Bid	Ask
Do., pref.	.50	12	11⅞	12
Thayers	...	8	6	10
Do., pref.	‡2.50	35	30	40
Theatre Props.	...	4	4	5
Tip Top Tailors	.30	20	19½	20
Toronto Iron	.60	11½	9	11⅞
Tor. Mortgage	5.00	108	108	122
Traders Bldg.	4.00+1.00‡	80	75	..

Company	Div. rate $	Last sale	May 30 Bid	Ask
Grull Wihksne	...	.07	..	..
Heath	...	.20	.15	.20
High Bell	...	.70	.64	.75
Hoyle	...	1.84	..	1.70
Int. Mining	...	10.00	..	..
Island Lake	...	.01	..	.01½
Island Mountain	‡.05	1.40	1.35	..
Jack Waite	...	.08½	.08	.12
Jacola	...	.03	.03	.03½

STOCKS NOT TRADED THIS WEEK

Company	Div. rate $	Last sale	May 30 Bid	Ask
Do., pref.	1.00+‡.20	18½	17½	20½
Ontario Loan	5.00	120½	120½	..
Ont. Steel pf.	7.00	129	130½	..
Ott. L. H. & Pr.	.60	16	16½	17
Pacific Coyle	†.03	58	52	..
Pantepec Oil	‡‡.22	10	8	11
Paton Mfg.	.80	19	18	19
Do., pref.	1.40	30	31	..
Penmans pref.	6.00	152	153	..
People's Cr. Sec.	a.25	5½	6	7
Photo Eng.	1.00+‡.50	28	27	27½
Power Corp. 2 pf.	3.00	58	55	57
Premier Trust	2.00	61⅞	62⅞	..

Mining Stocks

Oil Stocks

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

June 3, 1947

%	Due	Bid	Ask
Victory Loans:			
3	June 1951	104½	105¼
3	Mar. 1954	106	106¼
3	Nov. 1956	105¾	106¾
3	May 1957	104¾	105¾
3	Jan. 1959	104¾	105¾
3	June 1960	104¾	105¾
3	Feb. 1962	104¼	105¼
2¼	Mar. 1948	100⅜	101¼
1½	Mar. 1948	100¼	100⅜
1½	Nov. 1948	100¼	100⅜
1½	Nov. 1950	100¼	101¼
3	Oct. 1963	104¼	105¼
3	Sept. 1966	104¼	105¼
1½	Nov. 1949	100¼	101¼
Dom. of Canada Bonds			
2¼	Nov. 1951	102⅞	103
4	Oct. 1952	100⅞	101¼
3¼	Feb. 1952	104¼	104¾
3	Oct. 1952	103¼	103⅞
3	June 1955	103¾	104⅞
4½	Nov. 1957	101¼	101⅞
3	June 1958	104⅞	106¼
4½	Nov. 1958	104	104½
4½	Nov. 1959	106½	107
3¼	June 1966	106	106⅞
3	Perpetual	103⅞	104⅞
Dom. Guarant'd Bonds — Can. Nat. Railways:			
3	Jan. 1959	103⅞	105
4½	Sept. 1951	*100⅞	*111¼
4½	Feb. 1956	*116⅞	118¼
4½	July 1957	*119	*120½
3	Feb. 1953	100⅞	101¼
4¾	June 1955	*117½	*118⅞
5	Feb. 1954	117	118¼
5	Feb. 1970	*111⅞	*113¼
5	Oct. 1969	*111⅞	*112¼

%	Due	Bid	Ask
Can. Natl. W. Ind. S.S.:			
5	Mar. 1955	*118⅞	*120¼
Grand Trunk Pacific Rly.:			
3	Jan. 1962	*106	*108
4	Jan. 1962	*118	*120
Montreal Harbour Com.			
5	Nov. 1969	*111¼	*112¼
Provincial Govt. Bonds			
New Brunswick:			
3½	June 1956	103¼	105¼
4½	Apr. 1961	122	124
5	Jan. 1960	126	129
2¾	June 1966	97¼	99¼
Nova Scotia:			
3	Jan. 1952	103⅞	105¼
3½	June 1956	105	106½
3½	Nov. 1950	104⅞	106¼
4½	Nov. 1960	123¼	126¼
5	Mar. 1960	128	131
3	June 1958	102⅞	104¼
Ontario:			
3½	Nov. 1951	103	104¼
3½	May 1955	105⅞	107¼
4	June 1962	121	124
4½	June 1950	107¼	109
4½	Jan. 1962	127	130
5	Oct. 1948	104	105¼
5	Dec. 1960	132	134¼
2¾	July 1976	100¼	101⅞
Ont. Hydro Commission:			
3½	Feb. 1953	103¼	105
4	Aug. 1957	117	120
2¾	June 1971	100¼	101⅞

%	Due	Bid	Ask
Prince Edward Island:			
4	Mar. 1954	103	104¼
Quebec:			
3½	Mar. 1959	105¼	107
4	Nov. 1952	106	107¼
3¾	Feb. 1955	106⅞	108¼
4½	Aug. 1958	114½	116
4½	Jan. 1963	120¼	122¼
3	Feb. 1962	103¼	105
Alberta:			
3½	June 1964	101¼	104
3½	June 1959	102	105
3½	June 1972	102¼	105¼
British Columbia:			
4	Dec. 1957	115¼	118¼
4½	Jan. 1951	112¼	115
4½	Oct. 1953	116¼	119¼
5	Apr. 1954	119¼	122¼
2¾	Apr. 1966	99¼	101¼
5	Sept. 1963	112	114
Manitoba:			
4	Dec. 1957	114	117
4½	Dec. 1956	119	121¼
5	Dec. 1959	126	128¼
5½	Oct. 1955	119	121
Saskatchewan:			
4	Sept. 1954	100⅞	102⅞
4	Nov. 1960	103¼	105¼
4½	Oct. 1951	109	111¼
4½	Mar. 1960	112	115
5	Aug. 1958	114	116
5	Dec. 1959	116¼	119¼
5½	Oct. 1952	109	112
6	Mar. 1952	111	113

*N. Y. funds.

Unlisted Stocks

(Compiled from quotations supplied by Kippen & Co., Intercity Securities Corp. and Kamm, Garland & Co.)

June 3, 1947

	Bid	Ask
Allens Toronto units	30.00	....
Anglo Amer. Timber	....	1.50
Anglo Can. Telephone A	10.50	11.50
Beauharnois L. H. & P.	2.50	3.50
Brandram Henderson	13.00	14.50
British Mortgage and Trust	169.00	....
B. C. Sugar	90.00	94.00
Canada Paving 1st pfd.	7.75	....
Canadian Airways	2.00	3.00
Can. Ingersoll Rand	62.00	64.00
Can. Investment Fund	4.45	4.95
Can. Investors Corp.	7.50	8.50
Canadian Motor Lamp A	11.50	12.50
Can. Silk Products	26.00	28.00
Can. West. Nat. Gas pfd.	104.00	106.00
Capital Wire Cloth com.	10.00	....
Do., pfd.	22.00	....
Cawthra Apts. units	5.50	....
Chase A. W. units	36.50	....
Chatco Steel pfd.	7.75	9.00
Do., com.	9.00	10.00
Colonial Steamships com.	73.00	79.00
Commercial Finance com.	13.00	....
Commercial Life 10% paid	7.50	....
Commonwealth Inter. Corp.	3.41	3.75
Confed. Life Assoc. 30% pd	155.00	....
Continental Life 20% pd.	42.00	....
Cooksville com.	10.00	13.00
Do., 2nd pref.	90.00	....
Detroit Internat. Bridge	11.50	12.50
Dover Industries Ltd.	11.50	12.50
Dunlop Tire pfd.	25.00	26.50
Empire Life Ins. 25% pd.	17.00	19.00
Federal Fdrs. & S. new com.	1.00	1.75
Foreign Power Sec. pfd.	10.00	13.00
Galt Brass comm.	32.00	....
Goderich Elev. & Trans.	15.25	16.50
Great Lakes Pwr. pfd.	112.00	....
Great West Life	400.00	415.00
Guardian Realty pfd.	37.00	....
Guar. Co. of N. America	385.00	....
Guelph & Ont. Svgs. $50	60.00	....
Gurney Foundry pfd.	3.80	4.25
Halifax Ins.	17.00	18.50
Hart Battery com.	8.00	9.00

	Bid	Ask
Imperial Life	350.00	....
Interprovincial Brick A pf.	50.00	....
Do., B	18.00	22.00
Lambton Loan & Inv. $50	77.00	86.00
Laprairie com.	....	8.00
Do., pref.	64.00	....
Loblaw Groc. Inc.	20.50	22.00
Manufacturers Life Ins.	320.00	....
Maxson Food System	1.00	....
Midland L. & Svgs. $10 par	19.00	....
Monarch L. Assoc. 30% pd.	90.00	....
Monarch Mtge. units	4.00	4.75
Montreal Island Power	35.00	....
Montreal Trust Co.	91.00	....
Mountainview Apts. pfd.	16.50	....
Nat. Drug & Chem. new c.	8.00	9.00
Do., com. old	9.00	10.00
Do., pfd.	13.00	14.00
New Brunswick Telephone	13.50	15.00
Northern Tel. com.	1.50	2.00
Ont. Tobacco Plant units	63.00	....
Paramount Kitchener units	55.00	....
Peller Brew.	7.00	8.50
Provincial Bank of Canada	15.50	16.25
Prudential Trust	10.50	....
Sawyer Massey com.	1.40	2.00
Seiberling Rubber com.	9.00	11.50
Sincennes McNaughton T.	2.25	....
Sherbrooke Trust	140.00	....
Sovereign Life Assce. 25%	36.00	....
Standard Fuel pfd.	47.00	51.00
Do. com.	3.00	5.00
Sun Life Assce.	480.00	500.00
Third Can. Gen. Inv.	3.40	3.90
Toronto Carpet pfd.	98.00	....
Toronto General Ins.	6.00	7.50
United Farmers Co-op.	3.00	4.00
United Steel A pfd.	25.00	26.50
University Tower	7.00	...
Victoria Trust & Svgs.	128.00	....
Western Assur. com.	65.00	68.00
Western Grain com.	1.00	1.50
Do., pfd.	26.00	30.00
York Trading com.	10.75	12.00

Significant Investors' Index Numbers

(Base 1935-39=100)

No. of Securities	Mach. and equip. 10	Pulp and paper 8	Milling 4	Oils 4	Textiles and clothing 9	Food and allied prod. 13	Beverages 8	Bldg. mater. 16	Power and traction 14	Banks 8	Total utilities 18	Total co's. 100
*1935 to date:												
High	210.3	287.9	149.7	123.7	214.4	138.5	447.0	168.5	146.2	136.3	149.0	126.1
Low	69.7	81.6	61.2	41.2	78.4	73.5	79.2	66.7	60.2	60.0	65.2	61.1
1947: Monthly Figures:												
Jan.	179.9	253.7	124.9	63.0	182.9	134.0	303.5	142.0	108.1	133.1	117.7	106.2
Feb.	184.9	264.3	125.3	68.6	190.6	129.3	302.5	145.3	110.4	133.4	121.8	109.4
Mar.	180.5	257.6	123.1	65.8	185.9	129.3	291.9	140.2	112.6	130.6	120.1	106.4
Apr.	180.9	242.3	122.8	64.4	180.1	128.6	281.6	136.8	110.3	130.1	117.7	104.8
1947: Weekly Figures:												
May 1	181.2	235.5	119.4	63.3	179.7	129.2	287.2	136.8	109.9	131.4	117.6	105.0
May 8	183.3	243.7	122.4	66.8	179.8	128.1	288.7	139.1	110.5	133.0	118.1	106.5
May 15	182.2	234.0	120.2	66.9	178.5	127.9	279.5	135.5	109.8	132.4	115.6	104.4
May 22	176.6	227.9	119.0	65.9	173.3	127.0	275.9	134.9	107.5	128.6	113.0	102.8

*High and low for years from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
June 2	165.56	111.20	81.92	29.37
May 31	.....	.....	.....	.....
May 30	165.41	112.38	82.89	27.37
May 29	164.85	111.82	82.26	26.63
May 28	163.84	109.66	81.18	24.93
May 27	163.13	107.80	80.74	26.26
Month ago	167.96	101.61	84.17	24.32
Year ago	206.84	122.89	103.39	27.20
1947 High	184.21	114.35	96.14	29.37
1947 Low	159.82	86.31	77.91	22.28

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Comb.	10 Pprs.	15 Golds
June 2	77.7	118.6	105.0	303.25	74.98
May 31	...	.....	.....	.....	.....
May 30	77.9	119.1	105.4	309.55	74.97
May 29	77.8	118.8	105.1	302.47	72.24
May 28	77.4	118.0	104.5	296.39	71.59
May 27	76.9	117.5	104.0	294.59	70.45
Month ago	76.6	122.6	107.3	315.10	69.73
Year ago	81.6	148.3	126.1	405.97	97.66
1947 High	78.5	130.0	112.5	361.92	76.47
1947 Low	75.0	115.9	102.6	287.28	67.30

Dow-Jones Closing Stock Averages

	30 Indust.	20 Rails	15 Util.	65 Stocks
June 2	168.00	43.55	33.16	59.37
May 31	.....	.....	.....	.....
May 30	.....	.....	.....	.....
May 29	169.25	44.24	33.37	59.87
May 28	168.06	43.64	33.35	59.41
May 27	166.17	42.46	32.89	58.49
Month ago	174.21	45.66	34.22	61.54
Year ago	211.47	66.92	43.46	78.84
1947 High	184.49	53.42	37.55	67.10
1947 Low	163.59	41.46	32.28	57.44

Unlisted Mines

Approximate quotations, 3 p.m., June 2, subject to confirmation:

	Bid	Ask
Abenakis	.03	.05
Advance	.05	.07
Alcan	.04	.06
Alexander	.06½	.08
Aljo	.01½	.02½
Ama Kir	.13	.15
Anna'que	.02½	.04
Argonaut	.05	.06
Audley	.01	.03
Aurlando	.03½	.05
Aurora Y	.21	.25
Auterra	.01	.03
Baker	.14	.16
Barb L n	.04	.06
Beauriv	.06½	.08
Bi-ore	.31	.34
Blondor	.03½	.04½
Blue Gras	.03	.05
Bouzanne	.06	.08
Bourl Cen	.04	.06
Bradnor	.03½	.05
Br Breest	.03	.05
Bravo	.03	.05
Brig RL	.07	.09
B McDade	.50	.55
Burley P	.01	.02
Camlaren	.05	.07
Captain	.04	.06
Caramora	.38	.40
Carlmac	.04½	.06
Carricona	.02½	.04
Cassidy	.09	.11
Cen Mani	.14	.16
Cock RL	.04½	.05½
Columbier	.02	.03½
Con Chib	.24	.27
Con Cop	.12	.14
Courageo	.07	.09
Craibbe	.16	.19
Croydon	.03	.05
Cuyuni	.80	.85
Delhi	.09	.12
De Sant n	.05	.07
Dom Mal	.02	.03
Dona Pat	.02½	.03
Durham	.19	.23
Doris	.10	.15
Echo Ind	.07	.09
Electra	.10	.12
Elmac	.05	.07
Eltora	.23	.25
Erin Kirk	.02	.03
Erndale	.50	.55
Flicka	.06	.09
Gilbec	.01	.02
Goodrock	.01	.02
Gord Leb	.11	.13
Gov Gold	.05	.07
Grnd Chi	.50	.70
Greenlee	.07½	.09
Grndhog	.23	.26
Gwillam	.04½	.05½
Halden	.11	.13
Habitant	.04	.06
Harp Mal	.02½	.03
Hayes Cd	.01½	.02½
Homsted n	.40	.42
Hornfaut	.11	.13
Hugh Pam	.06½	.08
Independ	.10	.12
Indyke	..	.06
Joannes D	.02	.04
Kamlac	.15	.18
Ken-Bay	.07	.09
Kencour	.04	.06
Kenda P	.15	.18
Kenroy	.01½	.02
Lk Expa	.06	.08
Lar-Add	.04	.05
La Salle	.10½	.12
Lavalie	.05	.06
Lennie	.05	.08
Lingnora	.05	.08
Major Oil	.04	.06
Legardo	.02	.04

	Bid	Ask
Mallen R	.06½	.08
Manterre	..	.05
Marbenor	.16	.19
Marquette	.03	.04
Mar Bird	.07	.09
Mary Ann	.07	.09
Mat Con	.29	.32
Mate Yel	.04½	.06
Metalore	.03	.05
Mica Co	.90	1.10
Miles RL	.13	.17
Mink	.07	.09
Mof H n	.02½	.03½
Mohaw' P	.02	.04
Murbell	.01½	.02½
Murmac	.11	.13
McCuaig	.08	.10
McManus	.10	.12
Nat'l M	.17	.19
Nayb '45	.33	.38
Nereco	..	.15
Newcore	..	.25
New Aug	.06	.10
New Mal	.03	.05
Nicoba	.52	.55
Norbeau	.65	.70
Norcourt	.05	.07
Norford	.03	.05
Normar	.06	.08
Nortyne	.01	.03
Novele P	.05	.08
Obalski	.05½	.06½
Do. '45	.10	.12
Obaska	.17	.20
Oklend	.05	.06
Olivet	.02	.03
Opemiska	.15	.17
Orpit	.04	.05
Ortona	.04½	.05½
Pascalis	.20	.23
Peg Tant	1.15	1.30
Pelangio	.06½	.07½
Payne	.28	.30
Phelps	.28	.30
Pinnacle	.02	.04
Poona Go	.02	.03
Presdor	.02	.04
Privateer	.40	.45
Quest	.09	.11
Rajah RL	.03	.06
Rambull	.02	.04
Rand Mal	.07	.09
Randona	.04	.06
Raymond	.04	.06
Rebair	.27	.30
Redruth	.03	.05
Redwood	.03½	.04
Richgroup	.05½	.07
Rhyolite	.03	.04
Rugged	..	.10
Rupununi	.32	.35
Russet	.09	.11
Salmita	.13	.17
Santiago	.17½	.20
Sepha	.03	.04½
Sheldon	.21	.23
Silv Arro	.15	.17
Skynner	.03	.05
Sovereign	.06	.09
Steeber	.01	.02
Sun Bear	.06	.08
Thornhill	.02	.02½
Tiffany	.03	.04
Tobico	.01½	.02½
Tovarich	.01½	.03
Val d'Bel	.03	.05
Vincent	.20	.25
Vinray	.13	.15
Virginia	..	.09
Wesley	.02	.03
West RL	.03½	.05
West Shor	.01	.02
Wilwood	.03	.05
Yel'knife	2.00	2.25
Y Davids	.19	.21

Investment Trusts

	Bid	Asked
Affiliated Funds	3.85	4.21
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	4.45	4.95
Can. Invest. Corp.	7.50	8.50
Commonwealth Int.	3.41	3.75
Corporate Inv.	8.85	9.50
Trans-Canada, A	13.00	....
Do., B	...	12.80

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$15.16	$15.06	$12.45
Hogs	21.60	21.60	19.85
Copper, lb.	.21½	.21½	.12
Sugar, raw, lb.	.06185	.06185	.04205
Coffee, lb.	.22¾	.22¼	.09⅝
Hides	.25	.25	.15½
Weekly Indices			
U. S. Labor	146.9	147.0	110.7
Dow Jones	132.69	127.46	100.79
Fishers	159.0	159.7	119.7
Monthly Indices			
Retail (Apr.)	130.6	128.9	120.8
W'sale (Mar.)	120.4	118.1	105.6
U. S. (Feb.)	144.6	141.5	107.7
Gt. Brit. (Feb.)	183.2	181.6	171.6

Note:—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good over 1,050 lb., top price, Toronto. Copper - electrolytic, New York. Coffee No. 4 Santos. Rio Sugar 96 degrees centrifugal c/f New York.

Municipal Bonds

June 3, 1947

	Coup. %	Matur.	Bid $	Ask. $	Yld. %
Victoria	3¾	'55-67	103	105½	2.95
Vancouver	3	'67	99	102	2.87
Calgary	3½	'51-61	101½	104½	2.25
Edmonton	3½	'49-59	100½	103½	1.78
Regina	3	'64	98½	101½	2.89
Moose Jaw	3-3½	'60	98	101	3.20
Winnipeg	2¾	'66	98	101	2.68
Ottawa	3	'54	104	106	2.10
Toronto	2¾	'72	100	101½	2.67
Hamilton	3	'53	104½	106½	1.85
Windsor	2½	'75	84	87	3.20
Windsor	2¾	'75	89	92	3.18
Windsor	3½	'75	98	101	3.45
Montreal	3	'70	99	101½	2.92
Quebec	2¾	'66	98	100	2.75
Halifax	3	'66	101	103	2.80
Saint John	3½	'65	105	107½	2.97

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
‡Cooksville Co. 1st mtge. ser. 2½-3½%		1947-53	June 16	100½
‡Do.	4%	1954-58	June 16	102
‡Gen. Theatre Inv. 1st mtge. ser. A	3½%	1947-48	July 2	100
‡Do.,	4½%	1955	July 2	101¾
‡Guelph Carpet & W. Spinning debs.	4%	1960	July 2	103
Inter City Baking 1st mtg. ser. A	5½%	1948	July 1	100½
Maple Leaf Milling 1st mtge.	3½%	1963	July 1	101
‡Maritime Tel. & Tel. 1st mtg. ser. C	4%	1967	July 1	105
Moirs 1st mtge. bonds	6%	1953	July 1	Par
‡Montreal L. H. & P. 1st mtge. coll. tr.	3½%	1956	July 1	101¼
‡Do.	3½%	1960	July 1	102¼
‡Do.	3½%	1961	July 1	102¼
‡Do.	3½%	1963	July 1	103
‡Do.	3½%	1973	July 1	100
Sao Paulo Elec. 1st mtge.	5%	1962	July 1	Par
‡Theatre Prop., Hamilton, 1st mtg.	5%	1959	Aug. 1	par
‡West Can Hyd El 1st mtge.	6%	1950	July 1	102
‡Do.	4½%	1978	July 1	103
‡Do. ser B deb	5½%	1966	July 1	104

‡All outstanding.

Stock Redemptions

Company:	Rate	Date	Price
‡Algoma Steel Corp. pf.	5%	July 1	100*
‡Calgary Power Co. Ltd., pref.	6%	June 16	105*

‡All outstanding shares. *Plus accrued dividends.

Stop & Shop To Wind Up?

Shareholders of Stop & Shop Ltd., Toronto, Ont. will be asked to authorize winding up of the company at the annual general meeting on June 16, 1947.

If approved, the winding up will begin immediately and no transfer of shares will be made on the books of the company except with the sanction of the liquidator, President R. H. Hommel states.

Sole asset of the company, other than cash, now consists of 35,117 common shares of Thrift Stores Ltd. As this block of stock could not be sold in the open market without incurring needless and severe loss, the directors proposed that the shares of Thrift Stores be distributed rateably amongst its shareholders, Mr. Hommel states.

As there are 339,000 shares of Stop and Shop Ltd. outstanding, the company proposes to reduce its holding of Thrift Stores to 33,900 shares, which would then be distributed on the basis of one share of Thrift for each 10 shares of its own stock.

In order to provide for this distribution directors have, subject to shareholder approval, authorized sale of 1,217 shares at $16 a share to Wood, Gundy & Co. and H. B. Housser & Co. To avoid issuing fractional certificates, the company proposes to pay $1.60 cash for each share held over or under an even multiple of 10 and will sell any extra shares still available to the two firms.

The cash forming the balance of the assets remaining after the distribution of the shares of Thrift will be distributed rateably among the shareholders after deduction of fees and expenses of the liquidator, President R. H. Hommel states.

PROVINCE OF NEW BRUNSWICK new debenture issue of $6.5 millions has been sold to a syndicate headed by Nesbitt, Thomson & Co. The issue includes $4 millions 2¾% 15-year debentures and $2.5 millions 2% 3-year debentures, both dated June 15, 1947. Tender price was 98.719. Principal and interest are chargeable against the consolidated revenue fund, and an annual sinking fund is called for, equal to 1% of the principal amount of the issues. Of the proceeds, $4,960,000 will be used for refunding, the balance for roads and permanent bridges.

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

June 3, 1947

Public Utility Issues:	Int. Rate %	Due	Bid	Ask.	Prev. Week Bid
▲Alg. Cen.H.B.R.	5	'59	66	69	66½
†Assoc. Tel. & T.	5½	'55	108	111	108½
Bell Telephone	3	'77	102½	104½	102½
B. C. Electric	3½	'67	102	104	101½
♦Gatineau Pr. A	3½	'70	104	106	104
*Do., B	3	'70	103	105	103½
Gt. Lakes Pwr.	4½	'56	102	104	101½
Do.	5	'57	101½	104	101½
*Int. Hydro-El.	6	'44	99½	102½	98½
L. St. Law. Pr.	3¾	'65	102	104	102½
Mtl. L. H. & Pr.	3½	'56	100	...	100
Do.	3½	'63	101½	...	102
Do.	3½	'73	99½	...	99½
†Mtl. Trams.	5	'55	101	...	101
Nat. Lt. & Pr.	4½	'61	102	...	102
Ott. L. H. & P.	4	'57	101½	...	101½
†Power Corp.	4½	'59	104½	...	104½
Quebec Pwr.	3	'62	101	103	101
St. Maurice Pr.	3½	'70	101½	103½	100½
Shaw. W. & Pr.	3	'71	100½	102½	100½
Do.	4	'69	104	...	104
Union Gas	4½	'50	100½	103	100½
United Secs.	3	'52	100	...	100
Wpg. El.	3¾	'71	102	104	102
Industrial and Realty Issues:					
Abitibi Pr. P.	3½	'67	100	102	99½
Acadia-Atlantic Sugar	3¾	'65	103	105	103½
Aluminum Co.	3½	'74	105	108	105
B.C. Pulp & P.	3½	'67	100	102	99½
†Brown Co.	5	'59	100	102½	101½
Burns & Co.	4	'63	100	102½	100
Can. Celanese	3	'62	100½	102½	...
Canada Electric	3½	'67	99½	...	99½
Can. Steamship	3½	'57	102½	104½	102
Can. W. Lum.	4	'62	101	103	101
C. P. R.	3½	'51	104½	...	104½
Do.	4	'49	104	...	104
C. P. R.	4	Perp.	104½	...	101
Consol. Paper	3½	'67	101	103	101
Dom. Coal	4½	'52	100½	102½	100½
Dom. Scot. Inv.	3	'64	97½	...	97½
Dom. T. & Ch.	3½	'57	103	...	103
Dom. Textile	3½	'59	105	...	105
Dom. Woollens	5	'64	102	104	102
†Donnacona P.	4½	'56	99½	...	100½
Dryden Paper	4	'61	101½	103½	101½
Federal Grain	4	'64	102	104	102
Ham. Cotton	3¾	'59	99½	...	99½
Imp. Tobacco	2¾	'66	100½	102½	100½
Inter-City Bak.	5½	'48	100	...	100
Indust. Accept.	3½	'66	99	101	99½
Ins. Ex. Bldg.	5	'51	98½	...	98½
Bowater's Nfld. P. & P.	3½	'68	101	...	101
Inv. Bd. & Sh.	5	'47	98½	...	98
Lake St. J. P.	5½	'61	102	...	102
Do.	5	'61	101½	...	101½
Legare	6	'61	100½	...	100½
MacMillan (H.R.) Export	4	'65	101	104	101
Maple L. M.	3¾	'63	102½	...	102½
Massey-Harris	3	'66	99½	101½	99
McColl-Fron.	3	'71	99½	101½	99½
McCormicks	4	'52	101	...	101
Mercury Mills	4	'59	100½	102½	101½
Moirs Ltd.	6	'53	99½	...	99½
Montreal Apts.	4	'54	97½	...	97
N. S. Stl. Coal	3½	'63	98	100	98
Price Bros.	3½	'66	102½	104½	102½
Silv. Dairies	4	'60-64	101½	...	101½
Do.	4	'71	99	101	99
Simpsons, Ltd.	3½	'60	102½	104½	102½
Torotno Elevat.	3½	'66	101½	...	101½
United Corp.	4	'58	100½	...	100
†Western Grain	5	'63	95½	97½	96½
York Kt. Mills	3½	'71	100	...	100

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
*Payable in U. S.
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▲Payable in Can. or U. K.

Supplementary Bond Quotations

Furnished by Investment Dealers Association

Month-end Closing Prices

May 31, 1947

	Bid	Ask.
Adel. Sheppard 7%/48	59	..
Albert-Bay 5%/50	101½	..
Ancroft Place 4%/56 w.s.	81	86
*Balfour Bldg. 3%/43	81	86
*Bay-Adelaide 6½%/47	60	..
*Bay-Cumberland 3½/58 w.s.	67	..
Bloor St. George Rlty. 7%/46	84½	..
Brand. Henderson 4/61	100	..
†Clarendon Apts. 7%/46	54	59
†Clarendon Props. 7%/47	54	59
†Deer Park Manor 4/59 w.s.	81	..
Dom. Dairies 4/67 1st mtge.	100	102
Dominion Square 4%/59	101	104
Ellis Park Apts. 4½%/60 w.s.	85	..
Gleneagles Inv. 5%/59 w.s.	110½	114½
Lombard Realty 2½%/51 w.s.	49	..
Lord Nelson Hotel 4%/47	..	90
Metropol. Bldg. 4½%/52 inc.	98½	103
Munic. Bankers 4-5/48	32	38
National Utilities 6%/48	100	..
Ogilvy Rlty. 5½%/51	100	..
Ontario Bldg. 3%/43	69	74
Oshawa Bldg. 4%/53 with pf.	75	..
*Richmond Bldg. 7%/47	39	..
St. Catherine Stan. Rlty. 3½%-4/57	97½	101½
†Trinity Bldg. 4%/52 w.s.	18	23
200 St. Clair W. 4½%/58	85	..
†Wellington Bldg. 6½%/35	93	..
Windsor Court 3%/56 w.s.	80	..
York St. Bldg. 5/53	95	100
*York Adelaide 7%/45	39	..

*Issue carries arrears of interest.
w.s.—With stock attached.
†Currently paying on interest arrears.

Company Meetings

1947	Company	Place
June 10	Tip Top Tailors	Toronto
June 11	Monarch Knitting	Toronto
June 11	Thrift Stores	Montreal
June 16	Castle-Trethewey M.	Toronto
June 16	McIntyre-Porc. M.	Toronto
June 16	Temiskaming M.	Toronto
June 17	Premier Gold M.	Vancouver
June 19	Dominion Coal	Sydney, N.S.
June 24	Com. Alcohols	Montreal
June 26	Dominion Stores	Toronto
June 27	Candn. Vickers	Montreal
July 23	Dom. Textile	Montreal

Market Comment

This week saw markets starting in on their third week of advancing prices. Every group is partaking in the upturn with the golds far outdistancing the others. For four successive weeks volume has been picking up, the golds and oils accounting for most of the heavier share turnover.

New York Dow-Jones industrials average has forged back persistently after penetrating last Oct.'s 163.12 low point. But volume has still been far from convincing with most investors continuing cautious about taking on new commitments. Chartists call for a heading around the 173-75 level on the Dow-Jones industrial average. Marketwise the two outstanding developments in the news are the bill for reduction of personal and corporate taxes in the U. S. that has been handed to President Truman for signature and the apparent worsening situation in the soft coal talks.

Feeling is still growing that something is being hatched up between London, Washington and Ottawa to improve the U. S. dollar shortage situation. The belief is wide-spread that this 'something,' when it comes, will prove beneficial to the gold mines. Increasing stock activity, particularly in the big producers both here and in the U. S. adds weight to the idea.

Opinions are being expressed widely that if the LEDUC OIL FIELD proves itself in size as well as in early flow and quality the present oil market may prove to be still in its early stages. Imperial Oil shares received added support this week from Standard Oil of New Jersey's annual meeting statement that estimated 1947 first six months earnings are $140 millions as compared with $88 millions for the same period of 1946.

• • •

Barron's (New York) The Trader: In contrast to the experiences of 1920, 1930, 1934, and 1938, a year after the stock market peak finds business holding up. Yet, speculative sentiment remains depressed and short selling is increasing. World-wide money crisis is still possible, but intimation that a special session of Congress may be called next fall indicates the seriousness of preparations for countermeasures. Stock selling movements of April and May proved unable to penetrate the autumn 1946 low and the time of traditional seasonal improvement—mid-June to Labor Day—is now drawing near.

• • •

New Highs and Lows

During the week ended May 31 nine new highs were recorded among the "general" stocks traded on Canadian stock exchanges, and 39 new lows. In the mining group there were 10 new highs and 12 new lows. Eighteen new highs and three new lows were recorded in the oil stocks.

GENERAL

New Highs—1947

Calgary Power; Can. W. & Cable B; Can. Cottons; Can. General Elec.; Gatineau Power; Lake St. John; Purity Flour; Robinson, Little; Scarfe & Co., A

New Lows—1947

Andian National; Argus 4% pref.; Bathurst Pwr., A; Biltmore Hats, A; B. C. Forest; B. C. Packers, A; Canada Packers, A; Can. Vinegars; Can. Dredge; Can. Food Prod., A; Do., B; Can. Inter. Inv. Tr.; Can. Oil, 4% pf.; Can. Wirebound, A; Cons. M. & Smelt.; Crescent Cream pf.; Crow's Nest Coal; Electrolux; Gen. Steel Wares; Goodyear Tire; Gr. West Life; Indust. Accept 4½%; Ingersoll M. & T.; Int. Bronze; Int. Utilities; John Labatt; Loblaw, A; Do., B; Mitchell, Robt.; Mod. Con. pref.; Prov. Trans.; Robinson, Little, A; Silverwood's, A; St. Lawr. Corp.; Do., B; Stedman's; Thrift Stores; Toronto Iron, A; Union Gas

MINING

New Highs—1947

Base Metals; Dome Mines; El Sol; Kerr-Addison; Lamaque Gold; McIntyre; Nor. Canada; Pioneer Gold; Roy Bar Chi.; Teck-Hughes

New Lows—1947

Aquarius; Area; Head Way; Kirk. G. G.; Lunward Gold; Man. & East.; New Louvre; O'Leary; Pac. East; Roche L. L.; Sand River; Sigma Mines

OILS

New Highs—1947

Alliance; Anaconda; Calmont; Coastal; Davies Pete.; Hargal; Home; Homestead; McLeod; Mill City; Model; New Ranch; Okalta; Share Roy.; Trans Alta.; United Oils; Vulcan; Warner

New Lows—1947

Gaspe; Grease Creek; Leduc West

Control of Rubber Study Expected

Revival of international regulations on rubber production and purchases is expected to be placed on the agenda for the next meeting of the International Rubber Study Group, a report from London states. The meeting takes place in Paris in July.

London rubber interests believe that before revival of any regulations could be undertaken, the relative values of natural and synthetic rubber would have to be established, it is reported.

The recent sharp decline in rubber prices brings this subject to the fore. This decline is the cause of anxiety both to the plantation interests, from an earnings standpoint, and to the Malayan and British governments, since rubber is one of the big dollar earning assets.

London authorities feel the price of natural rubber may stabilize around current levels of 16 1/3c. a pound over the next few months and ultimately may rise to around 20c. a pound, it is reported.

This whole situation is expected to be studied at the meeting of the International Rubber Study Group, which is composed of representatives of producing and large rubber-consuming countries.

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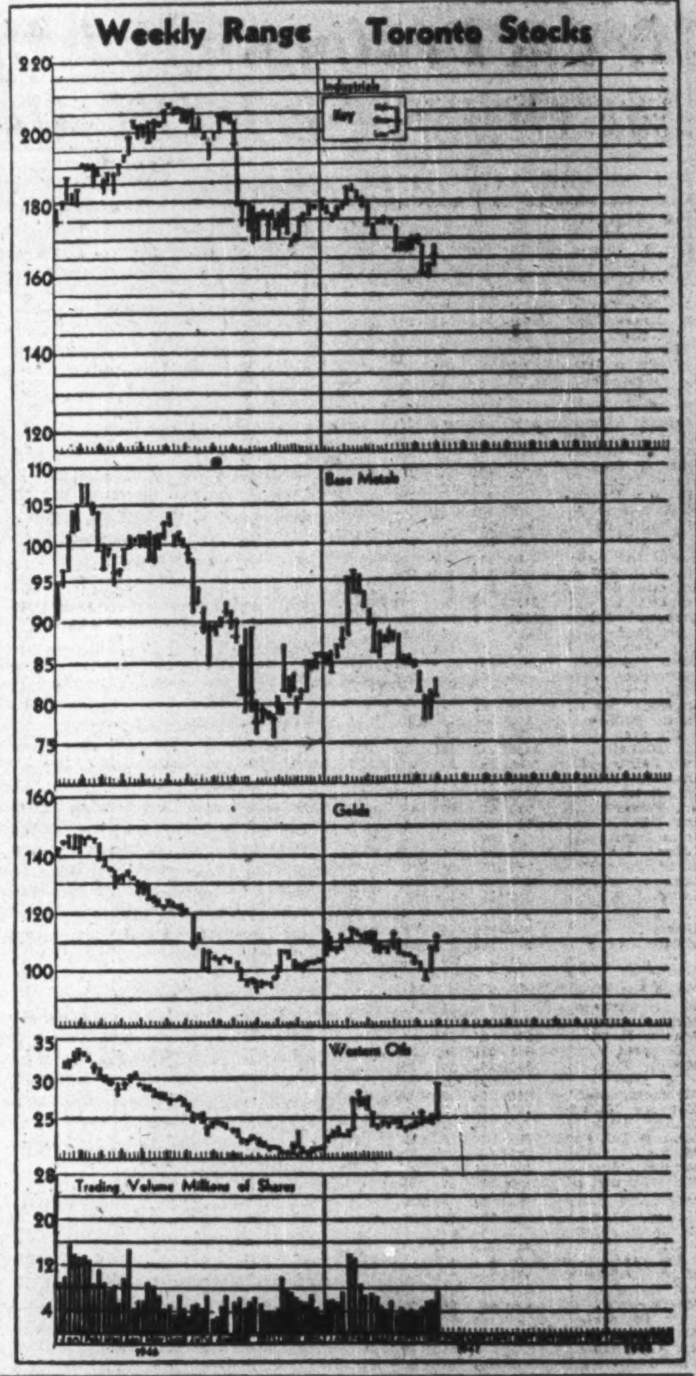

Guelph Carpet Sells 3¼% Bonds

Guelph Carpet & Worsted Spinning Mills Ltd., wholly-owned subsidiary of Harding Carpets Ltd., has sold a new issue of $388,000 3¼% bonds to be dated July 2, 1947, and to mature Jan. 2, 1948 to 1961. The sale was negotiated privately and netted the company a substantial premium, The Financial Post understands.

Proceeds are for redemption of the outstanding $388,000 4% bonds due Dec. 15, 1947 to 1960, which have been called for payment on July 2, 1947, at $103 and accrued interest.

Maturities on the new bonds start at $21,000 for 1948 and increase from $1,000 a year to $31,000 in 1958, $33,000 in 1959, $34,000 in 1960 and $35,000 in 1961.

Easy Washing Earnings Rise

Easy Washing Machine Co. 1947 sales to date are up substantially from a year ago, The Financial Post is informed. Earnings are keeping pace with improved sales, despite a smaller profit per unit on washing machines. Most of the increased business volume is in the new electrical lines taken on by the company during the past year.

Dividends of 25c. a share have been declared, payable July 2 and Oct. 2, 1947. This will make a total of 90c. a common share payable so far for 1947 as compared with 65c. for 1946. In line with expanded volume, officials have decided on a further expansion of factory facilities.

The company has expanded into four major new lines—some 15 small electrical appliances, the Tornado air circulator, the Phoenix vacuum cleaner and Dualock lines (double tension, all-metal locknuts). It is anticipated that new lines will continue to maintain present high sales volume.

The chief supply difficulty at the moment is in sheet steel. This has grown worse in recent months. Although there has been some slight improvement in electric motors, it has been impossible to meed demand as yet.

EAST SULLIVAN MINES announces that central ore body on the third level, where greatest amount of development work has been done, has now been extended to a length of 600 ft., averaging better than 2.5% copper across 50 ft. East end of the ore body, in the gap between the east and west ore bodies, is still open.

Stocks Bonds
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Airfreight Costs Outrun Revenues

Revenues of Canadian commercial aircraft continued to lag behind operating expenses during March, a month which smashed all air freight records.

March's operating revenues were $1,968,000, against operating expenses of $2,360,000. The previous month brought revenues of $1,481,000, against expenses $2,156,000. In March, 1946, the figures were: revenue, $1,687,000; expenses, $1,648,000.

Employees numbering 4,800 received $894,000 in wages and salaries in March, 1946; 5,600 got $1,057,000 in Feb., 1947; and 5,500 got $1,076,000 in March, 1947.

Canadian commercial aircraft carried almost twice as much in March as they did in the same month of 1946. The actual figures, just released by the Department of Reconstruction and Supply, are 4,105,000 pounds of airfreight against 2,066,000 in March, 1946. Airfreight in February this year was 2,254,000 pounds.

Airmail is also climbing, though at a less spectacular rate; 431,000 pounds in March, 1946; 512,000 in February, 1947; 557,000 pounds in March, 1947.

Passengers totalled 45,000 in March, 1946; 44,000 in February, 1947; 57,000 in March, 1947.

Government officials attribute the gains largely to development of new non-scheduled air routes by private operators, particularly in the B. C. area. Since March 1, 75 licenses have been granted to operators in all parts of Canada.

Margin Requirements Lowered in Canada

The Montreal and Toronto stock exchanges have announced lower minimum margin requirements of stocks, effective June 2, 1947. The new requirements are:

Montreal—The minimum margin requirements on stocks, including mining and oil stocks, will be 33 1/3% of selling price with a minimum margin of 50c. a share which must be maintained.

Toronto—Minimum margin requirements on stocks will be 33 1/3% on all stocks selling at $1 or over.

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VULCAN OILS revenue from royalties, dividends, transfer fees, rentals and interest totalled $22,200 in 1946. After charging operating expenses and making provision for depletion and depreciation, net profit was $11,672.

Current assets were $20,764 and liabilities $3,395, leaving net working capital of $17,369 at Dec. 31. Investments in gross and net royalty units, shares and debentures of other companies and bond investments, totalled $268,479. Fixed assets were carried at depreciated and depleted value of $58,377.

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Leduc Drilling Speeds Up As Others Seek Oil Also

By GORDON M. GRANT

The greatest oil well drilling boom ever to feature any western oil area outside Turner Valley is rapidly getting under way in the Leduc area, Canada's newly proven oil field.

Numerous decisions have been taken by operators other than Imperial Oil to drill step-out wells to test for oil with the drill bit far beyond the presently proven productive area.

Aside from its outlying Leduc exploratory wells, Imperial Oil is presently only drilling offset wells at Leduc so that other operators are actually taking over a large part of the work of exploratory drilling and may make the next major oil news for the area.

Besides the seven wells Imperial Oil has in the producing, drilling or planned categories, at least 10 others have been announced by other operators. Further well decisions are known to be pending.

Southeast Section Attracts

Most of the wells will be in the area stretching southeast from the present producing area (and inside the white area of last week's Leduc map). But other wells will be drilled to the south, west, northwest and to the east of the proven area. Thus the structure will be tested in practically all directions.

As the wells take only about a month to complete, significant news—favorable or unfavorable—could come quickly. Some of the companies have not yet arranged for drill rigs and delay may occur in getting a number of wells under way. Closest in of the new drillers appears to be Leduc Consolidated Oils which plans to drill about three quarters of a mile south of Imperial Leduc No. 3 well and the McQueen-Mewburn-Ross well.

Three of the most significant tests will be the McQueen-Mewburn-Ross well which is to be drilled immediately half a mile due east of the Imperial Leduc No. 3 oil well and the Homestead Consolidated and Okalta Oils tests, to be put down to the southeast (see last week's map).

Chances of extending the proven "width" of the structure to nearly four miles by successful completion of the McQueen-Mewburn-Ross well are reported encouraging as the Imperial Leduc No. 3 well was the highest on structure.

Homestead Consolidated, which is stated to hold the largest acreage in the immediate field outside of Imperial Oil (about 1,400 acres) has let a contract for drilling of a well on the piece of property closest to the proven area and about 2½ miles southeast of Imperial Leduc No. 3 well. A second rig is also to be put on drilling by Homestead, it is stated.

Okalta Rigs Up

Okalta has been rigging up its derrick for drilling a well a little over a mile southwest of the Homestead well in an area where a half section (320 acres) is held. Okalta-Leduc No. 1 well is about 3¼ miles southeast of Imperial Leduc No. 3 well.

Coastal Oils has not yet announced well location for its holdings in the Homestead-Okalta vicinity but early development of a 120-acre block is reported planned in conjunction with United Oils which has a third interest in the ground.

Anglo-Canadian and Calgary & Edmonton are stated to have acquired a section or 640 acres, about two miles due east of where the Okalta test will be drilled. At the Anglo-Canadian annual meeting it was stated that drilling would be completed. Some reports from western Canada say that Home Oil Co. participated with Anglo-Canadian and Calgary & Edmonton in acquisition of the block. Location is about five miles southeast of the proven section.

As Imperial Leduc No. 2 encountered a water plane suggesting a southwest flank was possibly being approached, drilling to the southwest of the proven area is not popular at the moment. But a number of operators plan tests to the southwest and northwest.

Continental Leduc Oil Co. is reported planning a well about two miles due south of the proven area. C. C. Cross and associates have completed a deal with South Brazeau to drill a half mile south of Leduc No. 2.

Globe Oil Co.-Leduc West No. 1 well is to be drilled about 2½ miles due west of the proven area. A second Globe-Leduc West well was rigging up early this week, almost a mile northwest of Imperial Leduc No. 3 well.

If all the wells mentioned are drilled, knowledge of the Leduc area's potentialities will be increased tremendously. A stretch of almost six miles — northwest to southeast—will get a drill test. Width of field could also conceivably be extended to 5½ miles, although chances to the southwest appear somewhat doubtful. The productive area could be extended farther to the northeast beyond any of the test wells mentioned, it is reported. The proven acreage for further drilling could undergo a major expansion if even half the proposed test wells find oil, it is pointed out.

British American Oil Co. is about to announce drilling plans for the Leduc field and this may further extend the test of the field's size.

Imperial Leduc 4 Said Good Well Like First Three

Although the well had yet to be placed on formal production test after cementing of casing at press time, Imperial Oil Leduc No. 4 well, three quarters of a mile southeast of No. 3 well, looked like a good well, similar to the first three on preliminary drill stem test, according to field reports.

On stem test last Thursday and Friday, the well was permitted to flow oil for 20 minutes and one hour respectively and from the flow rate, a productive potential similar to the Imperial Leduc Nos. 1, 2 and 3 wells has been inferred.

Production rates on the Nos. 1, 2 and 3 wells are reported this week at 175, 113 and 94 bbls. daily through restricted openings.

No. 5 well, west offset to No. 1, is drilling below 4,000 ft. Imperial Leduc No. 6 is to be a north offset to No. 4 while No. 7 will be an east offset to No. 2.

Good progress is being made at Imperial Oil exploratory projects in the Leduc area. The Morinville well is drilling at around 3,000-ft. depth while Looma well has reached the 2,400-ft. mark. A new well has been announced for the Paddle River area about 70 miles from Leduc.

Duthie Strikes 'Ruby Silver'

Over $2.2 Millions of Ore Reported Indicated By Surface Drilling

What appears to be a new indicated silver ore body was located by Duthie Mines, Smithers, B.C., late in May, The Financial Post is informed.

While drilling to explore the downward extension of the Fault Plane vein at the 3,300-ft. level, one diamond drill hole showed two sections of ruby silver. Assays of these sections have not been received, but it is reported that they were expected to be substantial. Further drilling in this area is being continued.

Underground diamond drilling has been in progress since mid-April, to prove the potential of the old workings. Drill hole No. 17 on the 3,800 level cut 12 in. of vein material assaying 0.12 oz. gold, 115.7 oz. silver, 22% lead and 18.3% zinc. This is reported to give a net value per ton across a 3-ft. width of $19.13 after allowing for vein dip, smelter losses and charges, etc. Previous surface drilling showed a value of $15.52.

Now Driving Tunnel

The tunnel of the 3,800 level is now being driven on a two-shift basis to test ore bodies indicated by last fall's diamond drilling. A total of 75,482 tons of ore was estimated at that time with an approximate gross value of $2,223,700 or $29.46 a ton. This was based on a metal content of 0.09 oz. gold, 5.9 oz. silver, 3.1% lead and 7.6% zinc and the following metal prices: gold, $25 an ounce; silver, 70c. an ounce; lead, 10.63c. a lb.; zinc, 10.25c. a lb. Less mill losses, freight and smelter charges, losses on reduction, resulting net value would be $15.52 a ton.

Drill hole No. 15 intersected two vein zones, one giving values of 0.21 oz. gold, 12.6 oz. silver, 4.85% lead, and 3% zinc and the other 0.16 oz. gold, 11.5 oz. silver, 5.9% lead and 9.4% zinc. Widths are not stated.

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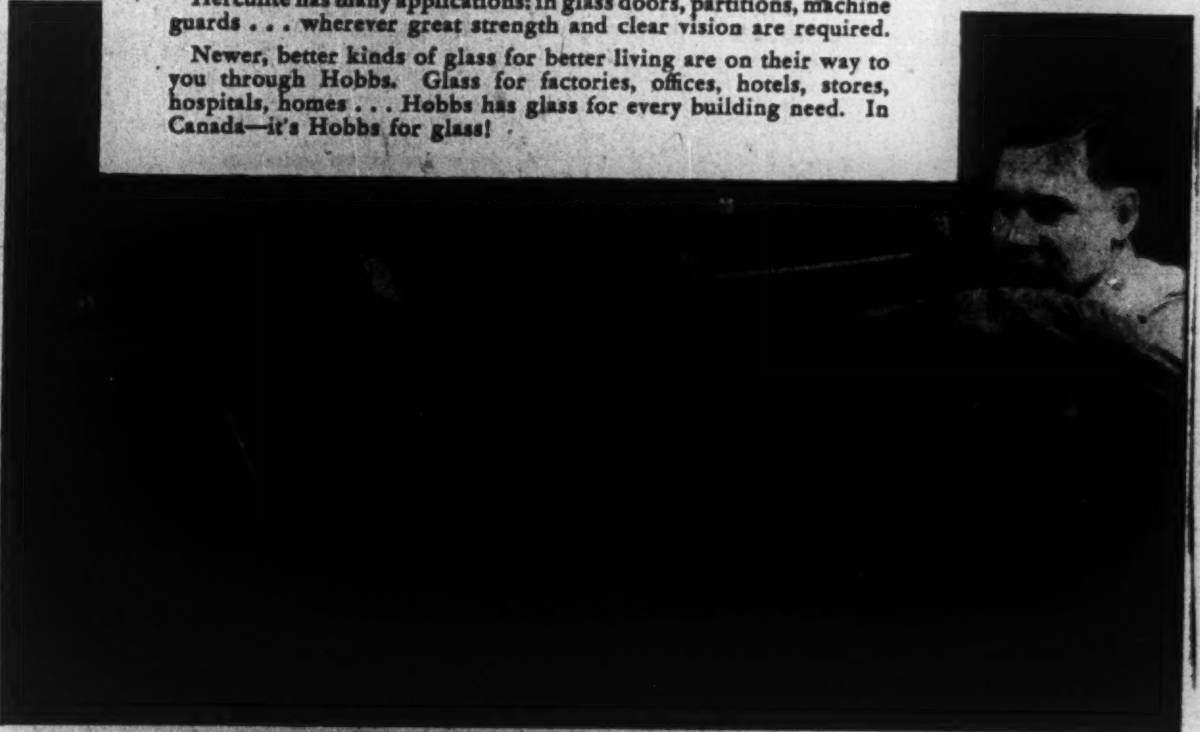
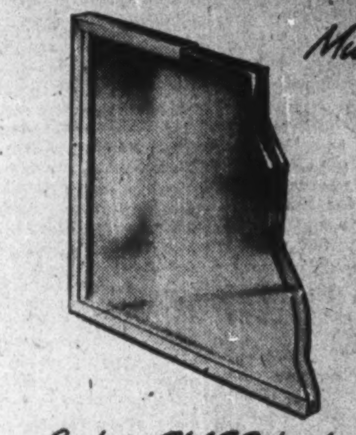
• Here a laboratory apparatus twists Herculite through an angle of more than twenty degrees.





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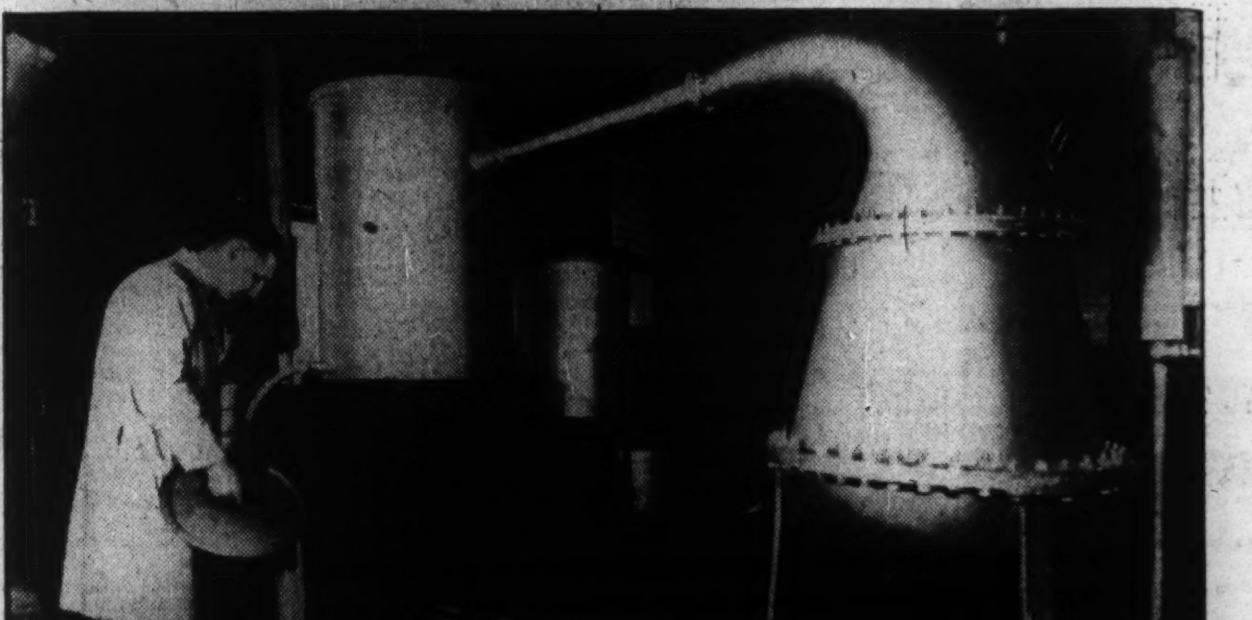

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See Inco Higher Wage Probability Affecting Mining Costs Generally

With International Nickel Co. —already paying mining's highest wage rates—earmarked for still higher wage distributions, the eastern Canada mining industry faces the prospect of further general wage demands at a time when "ability to pay" is possibly the lowest in the industry's history.

From a statement of General Manager R. L. Beattie, a higher Inco wage payment appears more than probable. The company is stated to be willing to meet a demand for an extra 15 cents an hour at Sudbury with a payment of 10 cents an hour. Thus an increase of at least 10 cents an hour appears "on the books" even though agreement may not have been reached on the check-off and other points.

Would Enlarge Differential

When last previous wage demands were made at Inco, an increase of 16 cents an hour was granted. This gave the company a "preference" in securing employees compared with other eastern Canada mines which had not then increased wages.

At Noranda Mines, wages were subsequently increased by 13 cents an hour while a majority of eastern Canada gold mines last December granted 10 cents an hour as recognition of increased costs of living.

With this wage situation in effect, miners seeking jobs have tended to make Inco first choice, Noranda second, and the gold mines third. Some miners, of course, have preferred jobs at gold mines to working in hotter base metal mines.

If a new wage increase of 10 cents an hour is placed in effect at Sudbury, the "edge" on Noranda will be 13 cents an hour while the gold mines will be 16 cents an hour behind in their raises. Some Quebec gold mines would actually be about 20 cents an hour behind. Gold Mines' costs have been steadily mounting since the $3.50 an ounce exchange premium was lost July 1, 1946.

Nickel Price Affected?

While International Nickel Co. has endeavored to absorb wage increase costs without resorting to an increase in the price of nickel, another boost in wages may require some product price adjustment, it appears. For the gold mines, already hard hit by increased costs, there is no possibility for the individual mine raising the price of the product, gold; higher wages would really "pinch."

Porcupine Position

In the Porcupine camp, one mine, McIntyre Porcupine Mines, has already had a conciliation board hearing. The union is asking 6 cents an hour wage increase, holidays with pay, and the check-off. Four other mines including Hollinger Consolidated, are also scheduled for conciliation board hearings in Porcupine.

The Kirkland Lake area has also been facing its labor troubles. A conciliation board at Lake Shore Mines recently made its report. No wage increase beyond the present scale was recommended, however, and the majority report recommended against the check-off. Upper Canada is another K.L. mine where a new union contract has not been written.

The demand for the check-off is being pressed the strongest at most mines, it is reported.

Even at present wage rates, the gold mines will probably lose men if Inco pays more. During the last month, single men have been on the move again anyway, the gold mines report. The labor situation is already deteriorating.

If production rates were more nearly normal, ability to pay would be much greater.

The gold mining industry was one of the first to ask that experienced foreign labor be imported to work in the mines. With a move to import Polish labor for other industries, a renewal of the gold mining industry's demand is in prospect.

Housing has been a bottleneck as far as mining labor is concerned for eastern Canada base metal and gold mines alike. Steps have been taken to provide extra housing accommodation, however, and if foreign labor should be imported, larger bunkhouse accommodation could be provided without undue difficulty, it is reported.

Sherritt Now Awaiting Assays on New Anomaly

Sulphides have been encountered at a depth of 134 ft. in a drill hole put down on a large anomaly 2½ to 3 miles south of "EL" ore body, shareholders learned at the annual meeting of Sherritt Gordon Mines. No assays had been received at head office early this week, but the anomaly is reported to be about 600 ft. long.

The Hughes Lake gold property appears to be the most favorable gold prospect held by the company and a drill is being put in the property in the near future, it is stated.

Tonnage Moves Up

Work to date at Lynn Lake has indicated a total of 6,800,000 tons averaging 1.74% nickel and 0.75% copper. Of this total, "EL" ore body accounts for 1,827,000 tons averaging 3.28% nickel and 1.16% copper, Eldon L. Brown, president, reported.

"There is no doubt but that this tonnage of ore will be increased by further work at deeper horibons," Mr. Brown declared. "The A, B and E ore bodies are all strong in the deepest drill holes, and while the EL ore body has now been delimited, I am quite confident that we will find recurring lenses of ore at greater depths in this immediate vicinity."

"With the tonnage that we now have indicated in the four known ore bodies, plus a reasonable allowance for extension of these ore bodies to greater depths, I would say that we have now reasonable assurance of one half of the tonnage which we require . . . I hope the end of this year or the early part of next year will see us within reach of our objective."

An 82.7% interest was taken by Sherritt Gordon Mines in the Ruth and Lucy properties formerly owned by Michipicoten Iron Mines, in repayment of advances. It is hoped that this interest may eventually reimburse the company for its investment in Michipicoten Iron Mines.

The Ruth and Lucy properties have been optioned to a wholly-owned subsidiary of the Jones and Laughlin Steel Corp. for two years with a minimum of 25,000 ft. of diamond drilling to be completed on the Lucy property. If the option is exercised, a royalty of 30c. a ton is to be paid on all ore shipped off the property under terms of a 50-year lease. Royalties on the ore already proved on the Ruth property would amount to over $5 millions it is stated. Rehabilitation of the Josephine mine of Michipcoten Iron Mines does not appear feasible under present conditions, it is stated, and $916,963. was written off the Sherritt investment in the Michipicoten project for this reason.

The main Sherritt mine at Sherridon could be maintained on the basis of 40,000 tons a month for balance of this year with a gradual decline afterward. A wage increase of 36 cents an hour has been demanded by the union at Sherridon in spite of the fact that the company pays higher wages than any of the gold or base metal mines in eastern Canada except International Nickel. Any such wage increase would make it impossible to salvage a large part of remaining ore reserves, it is stated. Consequently the wage demand has been refused.

Noranda Strike Affects Quebec Mineral Output

Closure of the Noranda smelter during January and the greater part of February was largely responsible for reduced gold, copper and silver production in Quebec during three months ended Mar. 31, 1947. Zinc output was substantially lower, figures released from the Department of Mines, show.

Gold production amounted to 136,549 oz. in three months ended Mar. 31, 1947 (167,472 oz. in similar 1946 period). Silver output, 284,800 oz. (451,083 oz.); copper output, 7,349,305 lb. (18,530,985 lb.); zinc; output, 17,179,558 lb. (25,573,446 lb.).

Tonnage of ore treated, ounces recovered and value of production of the individual mines follows:

Gold Mines	Tons treated	Oz.	Value
Belleterre	30,524	10,229	$358,015
Can. Malartic	82,741	5,336	186,760
Cons. Beattie	40,277	5,606	196,210
East Malartic	78,686	16,902	591,570
Elder	3,249	608	21,280
Francoeur	12,888	1,634	57,190
Lamaque	38,945	10,323	361,305
Malartic G. Fields	57,361	14,669	513,415
Mic-Mac Mines	40,917	4,417	154,595
O'Brien	15,962	6,444	225,540
Perron	28,381	4,706	164,710
Powell Rouyn	10,109	1,105	38,675
Senator Rouyn	26,205	3,959	138,565
Sigma	84,790	13,766	481,810
Siscoe	19,797	5,842	204,470
Sladen	57,305	8,808	308,280
Stadacona	31,839	5,219	182,665
Sullivan	29,603	6,720	235,200
Base Metal Mines			
Golden Manitou	57,230	1,221	42,735
Noranda	29,688	6,939	242,865
Normetal	48,908	710	24,850
Waite Amulet	97,355	1,386	48,510
Total	......	136,549	4,779,215

Aubelle Suspends Drilling Program

Extensive surface trenching and diamond drilling of the Aubelle Mines property in the Mud Lake area this year exhausted all known ore leads and work has been suspended and the property closed, The Financial Post is informed. Results in recent drilling did not warrant additional expenditures at this time, it is stated. A total of $135,000 in cash and bonds was in the treasury at April 30.

The Aubelle properaty has been under active development since 1944 and sinking of a three-compartment shaft to a depth of 525 ft. was completed in Jan., 1946. Underground results were somewhat disappointing and surface drilling was resumed to test new disclosures.

Expect Early Start For McMarmac Mill

Opening of high-grade ore shoots on 150- and 300-ft. levels at McMarmac Red Lake Gold Mines has accelerated plans to resume production and the mill is expected to reopen within a few weeks, The Financial Post is informed. Ore developed and in sight is reported greater than ever before in history of the property.

Three more rounds have been blasted out of the 2,106 raise taking it 50 ft. above the 300-ft. level and showing ore for the entire 50-ft. Average of 38 cars taken from the raise was 0.43 oz. across width of 5.3 ft. The 2,105 box hole has been advanced to 2,106 stope with face samples of 1.53 oz. over 2.6 ft.

The 1,112 raise from first level has been in ore for 100 ft. with hanging wall slashes running 1.02 oz. across 3.8 ft. The new sublevel has been in ore for some 70 ft. Average grade of 0.87 oz. across widths of 4.8 to 7.3 ft. has been secured.

Lamaque Profits Off To 2.94c. in Period

Lamaque Gold Mines* estimated net profit dropped to $88,232, or 2.94 cents a share in four months ended Apr. 30, 1947, off from $131,079, or 4.37 cents a share in similar period of the preceding year.

Gross value of bullion production was $494,724 from 55,165 tons of ore milled, an average recovery of $8.97 gold per ton ($514,782 from 55,330 tons and $9.30 gold per ton).

DOME MINES has declared a dividend of 25 cents a share, payable July 30 to shareholders of record June 30.

Opening $50 Ore At Kirkland Lake

Development of seven veins at Kirkland Lake Gold Mining Co. from the first of the year to May 15 has given a length of 1,500 ft. of ore averaging $50.90 (cut) grade across 3 ft., The Financial Post is informed. The ore exposed has been on the 54th level and upwards.

Bullion production totalled $400,491 from 24,031 tons of ore milled, an average recovery of $16.67 gold per ton in first three months 1947 as against $291,753 from 22,816 tons and average of $12.79 in similar period of 1946.

Aumaque Winze Now Completed

Lateral Work Under Way On New 625-ft. Level—$600,000 in Cash

Sinking of the winze from 500- to 625-ft. levels of Aumaque Gold Mines has been completed and drifting east and west of the winze has got under way, The Financial Post is advised. Work so far has been in fairly lean material.

Officials of the company are reported working on the theory that ore disclosures made on the 500-ft. level represent the apex or crown of an ore body that extends to depth. The current program is designed to test that theory and, if results are encouraging, the winze will be continued to 750 ft. and another level established.

Developed and indicated ore reserves are officially estimated at 133,700 tons averaging 0.25 oz. across 4.9 ft.

Lateral work on the 250-ft. level has opened a length of 202.3 ft. averaging 0.21 oz. across 3.75 ft. in block "A" and 39.8 ft. averaging 0.18 oz. across 3.9 ft in block "B". Development on 500-ft. level has established a length of 129.4 ft. averaging 0.27 oz. across 4.6 ft. and 130.5 ft. averaging 0.30 oz. across 5.7 ft. in block "A"; 93.3 ft. averaging 0.26 oz. across 5.48 in block "B".

Aumaque currently has cash and securities of approximately $600,000 with the remaining 100,000 unissued shares of the authorized 3.5 million shares optioned to Federal Trading & Agency Co. at 75 cents a share.

Geology Reports Out On Wetetnagami Area

Geological reports describing the Wetetnagami River and Wetetnagami Lake map areas of Quebec have been released by Hon. Jonathan Robinson, Minister of Mines. The reports, as prepared by H. W. Fairbairn and R. Bruce Graham, are available from the Deputy Minister, Department of Mines, Parliament Buildings, Quebec City.

The areas described in the reports lie in the region about midway between the mining regions of western Quebec and Chibougamau. They include the townships of Labrie, Moquin, Souart, Ralleau, Effiat and Carpiquet. Very little prospecting has been done in the areas described by these reports.

MINING CONCENTRATES

BEAULIEU YELLOWKNIFE MINES reports making good progress in shaft sinking. A diamond drilling rig is to be set up underground immediately to probe, by lateral holes, for geological data, preparatory to crosscutting to A zone of Norma vein 150-ft. level.

• • •

BUFFALO RED LAKE MINES expects to complete its three-compartment shaft to objective of 500 ft. by October. Since the shaft is in vicinity of ore body outlined by diamond drilling, systematic sampling of material excavated from the shaft will be carried out as work progresses. Company plans testing the area three-quarters of a mile south and east of indicated ore body, simultaneously with shaft sinking.

• • •

CARLSON MINES' shareholders were advised at annual meeting that drilling is hoped to start soon, with funds to be raised through sale of 400,000 shares at 15 cents a share. Consulting Engineer H. M. Butterfield has recommended a total of 15,000 ft. of drilling.

• • •

DUVAY GOLD MINES advises that grab samples from first round of shaft assayed $14 in gold. Plant and equipment are assembled on the property and rapid progress is expected to be made in sinking two-compartment shaft to initial objective of 80 ft.

• • •

GOODFISH MINING CO. has sold 85,000 shares at 5 cents a share. Issued capital—2,877,400 shares.

• • •

EL SOL GOLD MINES says that high values secured in upper part of hole No. 3-Z have been confirmed by trenching on the vein. It has been exposed for 100 ft. and a length of 20 ft. sampled gave $71 across 2.55 ft. Hole No. 5-Z, drilling vertically 100 ft. west of No. 4-Z, has reached 125 ft.

• • •

MENTOR EXPLORATION & DEVELOPMENT CO, May 15 installment of 6,300 shares at $4 a share, together with each subsequent installment, have been extended for three months.

• • •

NEGUS MINES says that work in 226 drift on second level south of the Negus fault, has returned following three sections within a length of 250 ft.; 27 ft. of 3.45 oz. (cut) across 1.6 ft.; 35 ft. of 0.40 oz. (cut) over an average width of 1.05 ft.; 40 ft. of 1.88 oz. (cut) across 1.9 ft. Other operating sections of the mine are reported to show improved grade. Shaft sinking has been completed to 1,775 ft., where a new station is being cut. Crosscut is to be driven from this level to investigate East zone.

RICHMAC GOLD MINES says that crosscut from adjoining Cochenour Willans property has been terminated 200 ft. within its boundary. Slashing is being done to start both an east and west drift from that point. The drifts are planned to extend 100 ft. in each direction, with drilling to be carried out from each extremity.

N. B. Oilfields Shares Offered

Shell Exploration Takes On Investigation of Large Acreage

An offering of 300,000 shares of New Brunswick Oilfields is being made by W. C. Pitfield & Co. at $5.75 a share. A firm commitment has been taken on 50% of these at $5 a share net to the company and an option is held by Pitfield & Co. on the remaining 150,000 shares at the same price.

New Brunswick Oilfields is the successor to New Brunswick Gas & Oilfields and is acquiring all that company's assets except its cash, securities and accounts receivable. Price is $1,250,000, part of which has already been paid.

Aside from proceeds of sale of shares to Pitfield & Co., as outlined above, $300,000 is to be received from Shell Exploration New Brunswick Ltd. for a sublease on three million acres of potential oil and gas lands. A further $300,000 is to be advanced by the Bank of Nova Scotia.

Depending upon the number of shares sold by the underwriters above the firm commitment of 150,000 shares, the company may receive as much as $750,000 above the underwriting amount. From any such additional proceeds, the $300,000 loan of the Bank of Nova Scotia would be repaid.

If the full 300,000 shares are taken up by the underwriters and the other financing including the bank loan become effective, $980,205 cash would be on hand after meeting the $1,250,000 purchase price and other expenses.

Under the agreement with Shell, the three million acres to be selected by Shell shall exclude the Hillsborough Parish west of the Petitcodiac River which includes the Stoney Creek gas and oil field to be owned by the company. Shell Exploration New Brunswick Ltd. already has several geological parties in the field

The aggregate properties being taken over by New Brunswick Oilfields comprise approximately 10,000 square miles in New Brunswick.

In the Stoney Creek field are located 146 wells of which 61 are reported to be commercially productive; majority of these are gas rather than oil wells. Value of natural gas produced in 1946 (at new rate) would have amounted to $202,620, it is estimated. Gross sales of oil and gasoline in 1946 is reported at $54,921.

If all proposed financing is concluded including issue of 300,000 shares to Pitfield & Co., the company will have a total of only 350,003 shares outstanding of an authorized capital of one million shares. The prospectus states that in the opinion of the management of the company the shares offered are speculative and should not be considered as an investment. There are no bonds or preferred stock.

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Goods will be arranged in suitably sized lots. Items of major equipment will be offered singly.

Offers will be received during the period of inspection, or may be forwarded to the Branch Sales Office at the address shown in the "Terms and Conditions" printed below.

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Feeler Gauges, Steel Carpenters Benches, Pneumatic Twist Drills, Dies, Collets, Valve Seat Cutters, Crossbars, Bits, Nibblers, Chuck Jaws, Lathe Bits, Hobs, Countersinking Tools, Tool Holders, Tops, Threading Tools, Stock & Die Sets, Trammel Points, Galvanized Steel Tanks, Oilstones, Sandpaper, Heating Elements, Heater Units, Band Saw Blades, Riveting Guns, Riveting Hammers, Pneumatic Riveters, Pneumatic Reversible Screwdrivers, Jig Drills, Grinding Machines, Hand Vises, Toolmakers' Vises, Steel Pulleys, Solder Lugs, Paving Hoes, Asphalt Smoothers, Paving Tampers, Paving Cutter Tools, Bituminous Asphalt, Oil Spray Guns, Heating Panels, Oil Reclaiming Units, Exploders, Degreasing Unit, Steel Wash Tanks, Pneumatic Drills, Carriage Bolts, Slotted Countersunk Bolts, Hanger Bolts, Gate-Valves, Locknuts, Pressure Gauges, Battery Terminal Nuts, Nuts, Set Screws, Cap Screws, Coach Screws, Machine Screws, Angle Iron, Flexible Tubing, Aluminum Alloy Tubing, Flexible Steel Wire Cable, Alclad Sheets, Brass Stripping, Copper Stripping, Copper Bars, Cuprinol (Wood Preservative), Wooden Pulley Blocks, Devilbiss Paint Spraying Unit, etc.

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HOW TERMS AND CONDITIONS

1. The Corporation shall have the right to accept or reject any or all offers in whole or in part.
2. If an offer is accepted sale will be on an "as is, where is" basis without warranty of any kind except as to the Crown's title and will be subject to the other usual sales conditions of the Corporation.
3. On acceptance of offer purchase price will be payable in full. No trade or quantity discounts will be allowed.
4. Purchasers will be required to take delivery of merchandise sold (or to remove from the premises) at their own expense, within a time limit set by the Corporation.
5. It should be noted that, while the Corporation reserves the right to accept any offers made during the period of display or prior to such period, in general all offers received during the display period and/or before 5 p.m. A.D.S.T. June 18, 1947 will receive equal consideration.
6. Offers must therefore reach the Corporation, at the address shown below, prior to 5 p.m. A.D.S.T., June 18, 1947.
7. Offers should be addressed to:

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LONDON CALLING—By Adelphi

U.K. Cabinet Unpopular But Labor Is Optimistic

LONDON—Mr. Churchill is a man who likes to stay up late, a habit which was very trying to some of his colleagues in the war. But I understand that last week he found a boon companion who dined with him and was still going strong when they parted at 3 a.m. The guest was Col. George Drew. Mr. Brendan Bracken made a third.

No doubt Col. Drew, like a good guest, talked about Mr. Churchill's memoirs, which are soon to begin publication; and since Mr. Churchill is a perfect host, he no doubt told the Ontario Premier all about Canada. Mr. Bracken is both a good listener and a good talker, so he probably filled in any pauses that might have occurred.

According to rumor, the Churchill memoirs of the war will not only be of enormous factual interest, but will set a very high standard in the actual writing.

His friends often wonder what Churchill will do with his paintings. He has a large number of them but refuses to sell a single one. He is not a rich man, and in the years immediately preceding the war his income dropped to a low level. He did little writing and was a constant attendant at the House of Commons where he drew the meagre salary of £600 a year as a private member. It is stated that in the war he was left a certain amount of money by people who were grateful for his leadership.

• • •

Randolph Churchill Would Spare Kesselring

Major Randolph Churchill, who has returned from a long lecture tour in America, has been leading the agitation for the reprieve of General Kesselring who was sentenced to death by an Allies court in Italy. There is little doubt that Winston Churchill shares his son's views on this matter.

The case of the younger Churchill is that a general who commands an army of occupation can only protect the lives of his soldiers by shooting hostages when soldiers have been killed by the civilian populace. Therefore, it is argued, Kesselring is being executed, not for his manner of waging war, but because he waged war in the only possible way.

Those who take the opposite view ask if Randolph and his supporters would have pleaded for Kesselring's life the day after the 300 Italians were butchered by his order in the caves. Is a crime, they ask, lessened by the mere passing of time? The controversy has been a sharp one, but perhaps the truth is that people are beginning to feel that there must be a stop some time to the shedding of blood.

Whether Kesselring is executed or not, the very clamor on his behalf would indicate that the period of the death penalty for war criminals is drawing to a close.

• • •

Ministers Unpopular But Labor Optimistic

Parliament rose for the Whitsun recess of one week, but it was no holiday for the Government. The annual conference of the Labor Party opened on Whit Monday in the bracing seaside air of Margate. Political parties nearly always go to the seaside for their conferences. It was at Blackpool in 1945 that the Socialists decided to withdraw from the Coalition, and thus precipitated the general election.

This year the Liberal Party held its conference at Bournemouth and stood at the end for a two minutes' silence, during which they dedicated themselves to the cause of Liberalism. The Conservatives will hold their conference at Brighton in October and it should be a breezy affair, although I don't think they will indulge in any two-minute silences.

The Labor Party gathered at Margate in fairly good spirits. There is little evidence in the country that the workers have lost confidence in the Government despite so many disappointments. Shinwell and Strachey are unpopular with the housewives, Aneurin Bevan is criticized for his slow housing program, Alexander is blamed for bungling the Conscription Bill and Attlee inspires small enthusiasm. Yet the worker is conscious of his new status in the community. He feels that he and his pals are now the ruling class and he will not abandon that position lightly, even though the tangible benefits are not easy to discover.

There is some noisy wooing of the Liberals by the Conservatives but it is more face slapping than petting. Like the Light Brigade at Balaclava, the Liberals are preparing to ride into the jaws of death once more. Every time they emerge practically decimated; but nothing will persuade them that their day will not come, when they will charge right through the enemy and capture his guns. But even this process will be complicated since the Liberals are going to fight two enemies—the Socialists and the Tories.

• • •

King's Horse MIGHT Beat Derby Favorite

The British public, however, is giving more thought to the Derby which is being run on the first Saturday in June instead of on the immemorial first Wednesday. In the pre-race betting, a colt called Tudor Prince is such a hot favorite that it is almost at even money. But there are whispers that His Majesty's horse Blue Train may beat it. On your behalf I went to Sandown Park a fortnight ago to see the royal three-year-old in a race just under the Derby distance. It is a good-natured, lazy colt that sees no reason why it should go any faster than is needed to keep its nose in front. It won at Sandown and it won again since, but I doubt if that placid temperament will prove an asset on the tricky hell-for-leather mile-and-a-half at Epsom.

• • •

The stormy Sir Thomas Beecham is in the headlines again in connection with his new series of Sunday night orchestral concerts at Drury Lane Theatre. The management of the concerts announced that formal evening dress would be essential in the stalls and the dress circle, whereupon Sir Thomas ejaculated "rubbish" and said that people could come in a loin cloth as long as they liked music. He himself conducted on the opening night in a white tropical tuxedo.

Then it was advertised that for the second concert Sir Thomas' recently acquired new young wife, Betty Humby, would play a Mozart concerto, and tickets sold well. But on Thursday Beecham announced that she would be unable to play and said the orchestra would give two extra numbers instead.

His manager protested and demanded that some other pianist be engaged so as to keep faith with the public. "Not at all," said Beecham. "You can't do things that way." Unfortunately the manager was equally insistent that Beecham, also, could not do things that way and he resigned.

This is the second time in a year that Lady Beecham has cancelled an advertised appearance. A third might be awkward.

• • •

Proof of the Putting Is in the Beating

The Americans recovered the (amateur) Walker Cup from the British and will take it back to its normal home. On the first day in the two-ball foursomes the British missed a four-foot putt, to be three wins to one. Instead they were all square. In the singles on the following day the British led at lunch-time in nearly all matches but in the afternoon the Americans went crazy and simply swamped our fellows.

One or two sports writers were inclined to attribute it to lack of steaks but I suggest the putter had something to do with it. Then, too, there is the small matter of psychology. The Englishman loves to give his opponent a good game and regards a draw as the best of all possible results. The American loves to give his opponent a hiding and is not at all embarrassed by winning. It does make a difference.

• • •

A rather foolish document called "Cards on the Table" has been published by the Foreign Office. It scolds the Soviet Government with all the petulance of a maiden aunt whose partner has misled her at bridge. In reply Moscow's Izvestia berated Mr. Bevin in the most abusive terms. No longer does diplomacy employ good manners.

There is a growing feeling that open diplomacy is not what the idealist dreamed. In the full glare of publicity foreign ministers dare not make concessions which would be regarded as weakness in their own countries. What is more, the day-to-day newspaper accounts from the foreign correspondents stir up trouble. Then there is the normal weakness of men to want to appear strong when the arc lights are turned on.

So do not be surprised if, when the next Foreign Ministers' Conference takes place in London, there will be frequent sessions when the doors will be closed and the keyhole plugged.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

CONIAURUM MINES net profits were 44.14% lower at $159,677 in 1946, as a result of higher operating costs and a substantial drop in profits from sale of securities. Working capital was slightly lower at year end, due mainly to devaluation of the market value of some securities held.

Principal development was concentrated on the producing sections of Nos. 2 and 3 winze areas, due to shortage of working crews. Development continued to disclose short shoots of ore in the porphyry on the lower levels. It is planned to concentrate development in the region of the 5,000-ft. level during the next two years. Location of new ore in the mine kept pace with extraction in 1946. Several short crosscuts were driven on 5,250- and 5,500-ft. levels and, while most yielded a small amount of mill tonnage, they failed to produce new ore.

INCOME ACCOUNT

Years Ended Dec. 31:	1946	1945
Bullion prod.	$1,040,181	$1,013,678
Less: Oper. exp.	867,708	755,568
Oper. earnings	172,473	258,110
Add: Other inc.	7,468	11,409
Sec. sale	14,665	106,266
Total earnings	194,606	375,785
Less: Taxes	26,000	71,000
Deprec.	8,929	11,455
Outside expl. w/o	......	7,500
Net profit	159,677	285,830
Less: Dividends	138,337	221,339
Surplus for year	21,340	64,491
Earned per Share	$0.058	$0.103
Paid	0.05	0.08

CONDENSED BALANCE SHEET

As at Dec. 31:	1946	1945
Cash & bullion	$222,517	$205,555
Dom. bonds*	175,000	300,000
Accts. rec.	6,671	11,838
Quoted shares*	201,992	183,105
Mat. & supplies	167,776	178,432
Frobisher shs.■	164,046	103,893
Total curr. assets	938,002	982,823
Prep. & def. chgs.‡	41,631	33,609
Int. in other cos.	377,710	356,210
Claims & props.	2,243,709	2,243,709
Plant & equip.†	17,988	18,951
Total assets	3,619,040	3,635,302
Accts., etc., pay.	52,722	45,657
Taxes payable	......	44,667
Total curr. liab.	52,722	90,324
Capital stock	3,747,495	3,747,495
Deficit▲	181,177	202,517
*Market value	175,875	300,000
*Market value	225,700	282,900
†After depr. of	1,322,879	1,313,950
‡Incl. ref. EPT	12,138	12,138

▲After deducting $12,138 EPT refund. portion.

■84,650 shs. in 1945; 104,650 shs. in 1946.

	1946	1945
Working capital	885,280	892,499

OPERATING STATISTICS

	1946	1945
Tons milled	114,385	98,210
Average recov.	$9.09	$10.33
Ore reserves, tons:		
Broken	75,172	81,047
Grade ($35 gold)	$10.33	$10.33
In place	198,000	200,000

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The Financial Post

Vol. XLI — Publication Office: Toronto, June 7, 1947 — No. 23

Trade and Political Future Newfoundland's Key Questions

A new Newfoundland is being born this year.

The 300,000 persons scattered in sparse settlements along its rocky shores and in the 120,000 square miles of Labrador's wilds are at close grips with two problems:

1. Where do we go from here, politically?
2. What can we do to improve trade and standards of living?

For the answer to the first, Islanders will go to the polls this year on a referendum. In the meantime they are studying the findings of their own National Convention, first elected "Parliament" in 13 years. They want guidance on whether they should: (a) remain under the Commission of Government of the United Kingdom; (b) return to full self-government; (c) become a 10th province in the Confederation of Canada; (d) become the 49th member state of the United States of America.

A delegation of the National Convention has visited London; on June 25 another delegation will visit Ottawa to discuss the situation with Canadian officials; a third delegation may go to Washington for trade and political discussions. The decision will be the most important in Newfoundland's history since 1933, when financial difficulties forced the Island to appeal to United Kingdom for aid.

Those financial difficulties are not completely over. Government surpluses in the wartime boom ran as high as $11.5 millions. In the fiscal year 1946-47, the surplus was $105,000; for next year a deficit of $1 million is forecast.

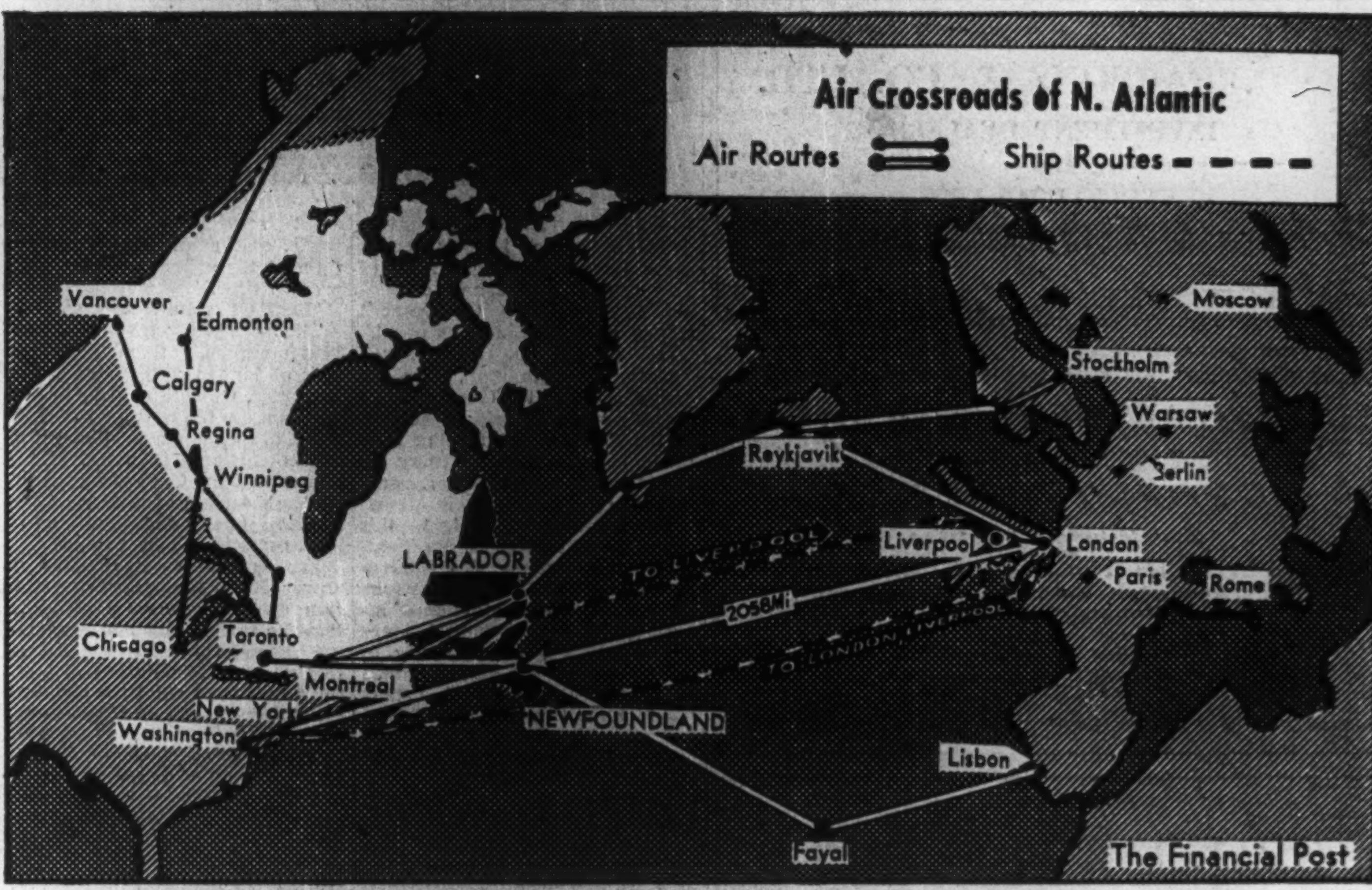
How to overcome those difficulties?

Sell more at higher prices and buy less at lower prices, say Islanders. Like most countries living on export trade, Newfoundland is watching carefully the trade winds blowing at Geneva, hoping its sea, forest and mine products will find more free, more stable markets.

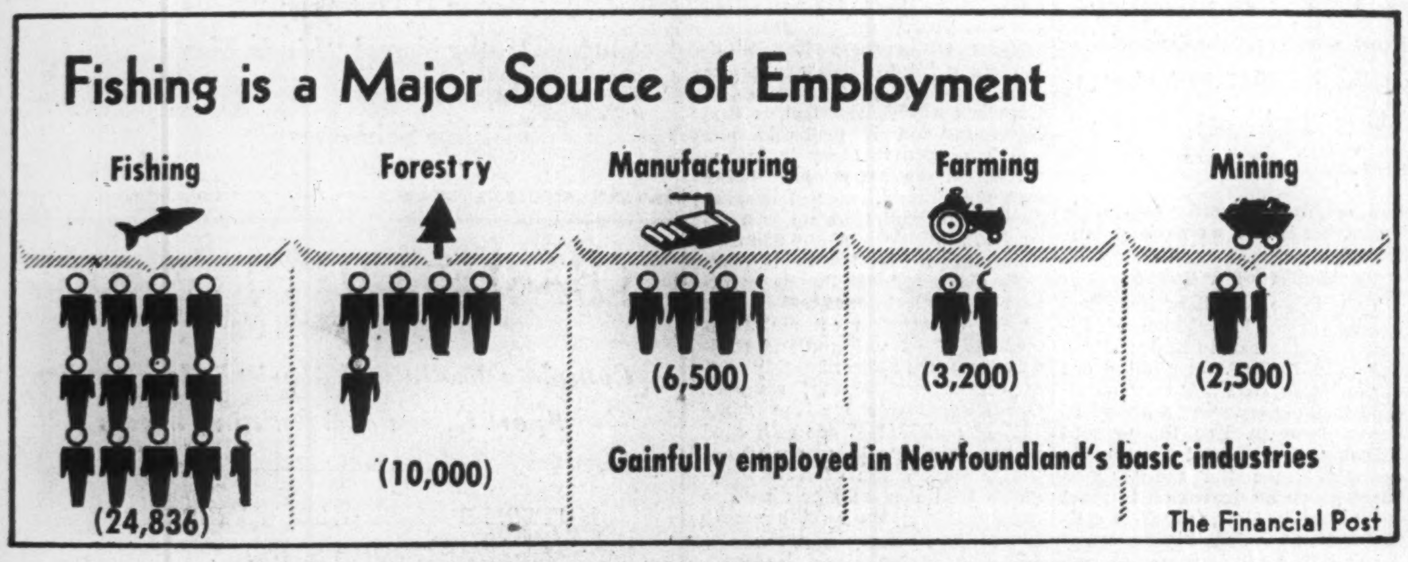
On the other side of the balance sheet, Newfoundland collects more than half its revenue from customs' duties. If, in line with other nations, tariffs are reduced, how will the government meet rising costs, Islanders ask.

Developments of World War Two made Newfoundland an "island airport" at the front door to North America. That strategic position may play an important part in the economic and political negotiations with Canada, the United Kingdom and the United States.

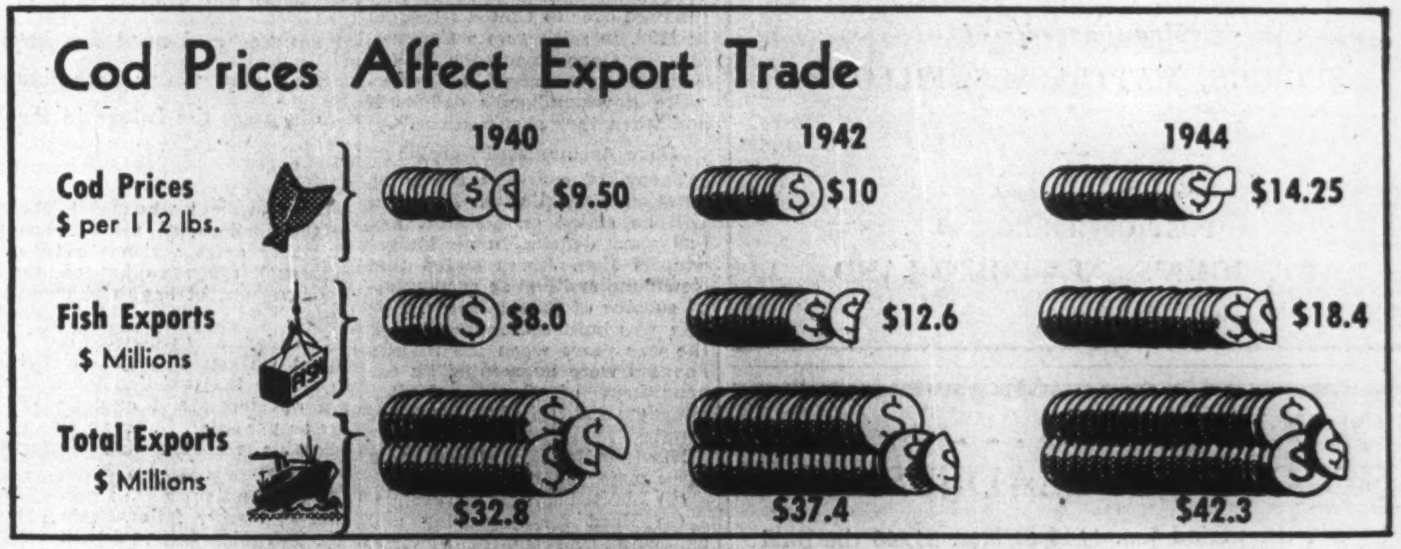
Sturdy Newfoundlanders, weighing these factors, are studying the shape of things to come.



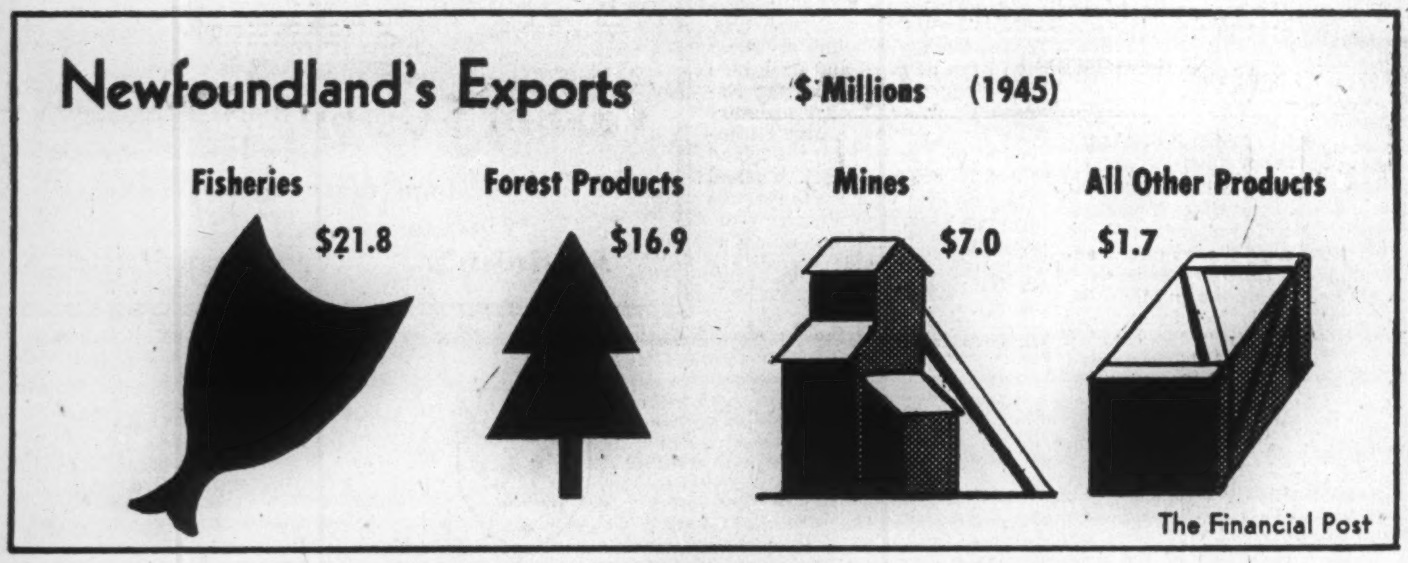
Newfoundland's strategic position at the air crossroads of North Atlantic is emphasized in this projection map showing air and sea routes between North America and Europe. In the export of major products, fisheries and pulp and paper, this location gives Newfoundland a favorable post on the front doors of two continents with Labrador an, as yet, virtually untapped supply source for minerals and, in particular, iron ore.



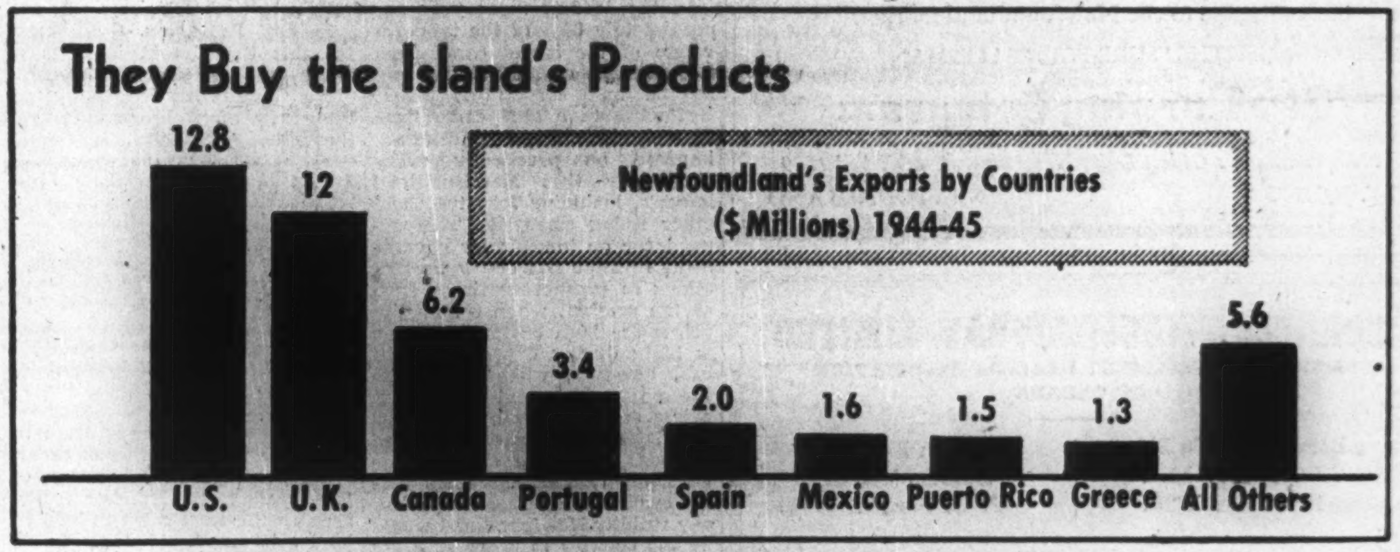
1 For centuries cod fishing has been Newfoundland's basic industry. Uncertainty of catch and prices have been factors in move toward diversification.



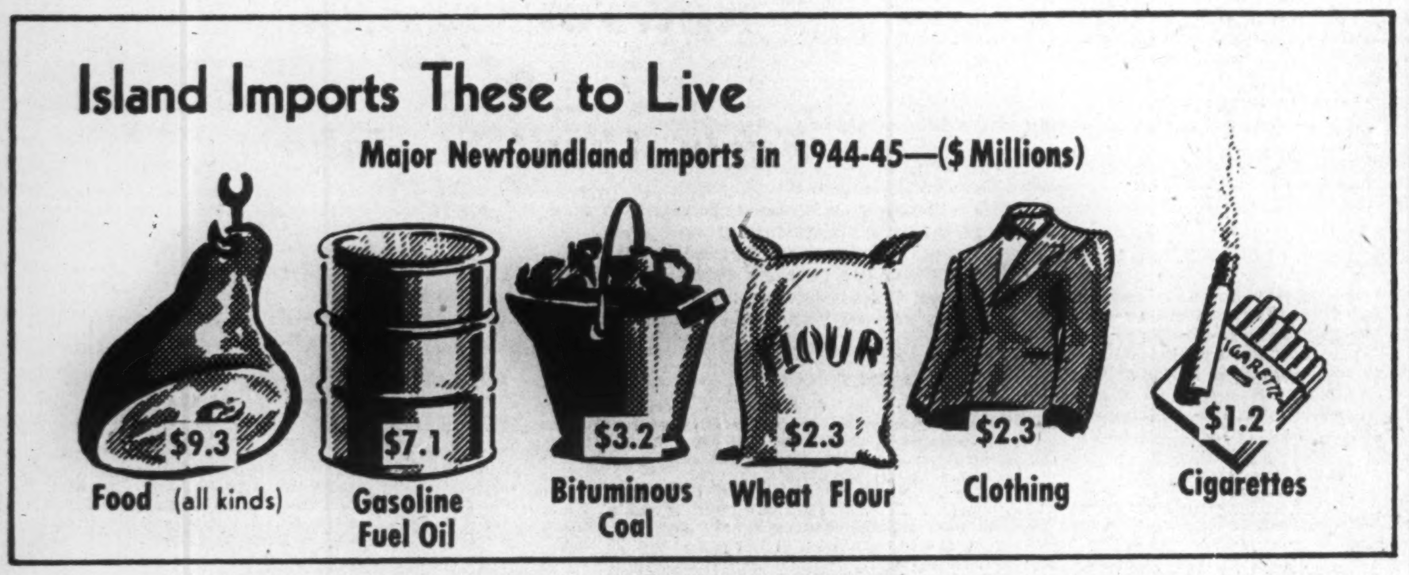
2 The impact of higher prices for salt cod, Newfoundland's major fisheries export, is shown here. Total 1944 catch, by weight, was less than 10% over 1940.



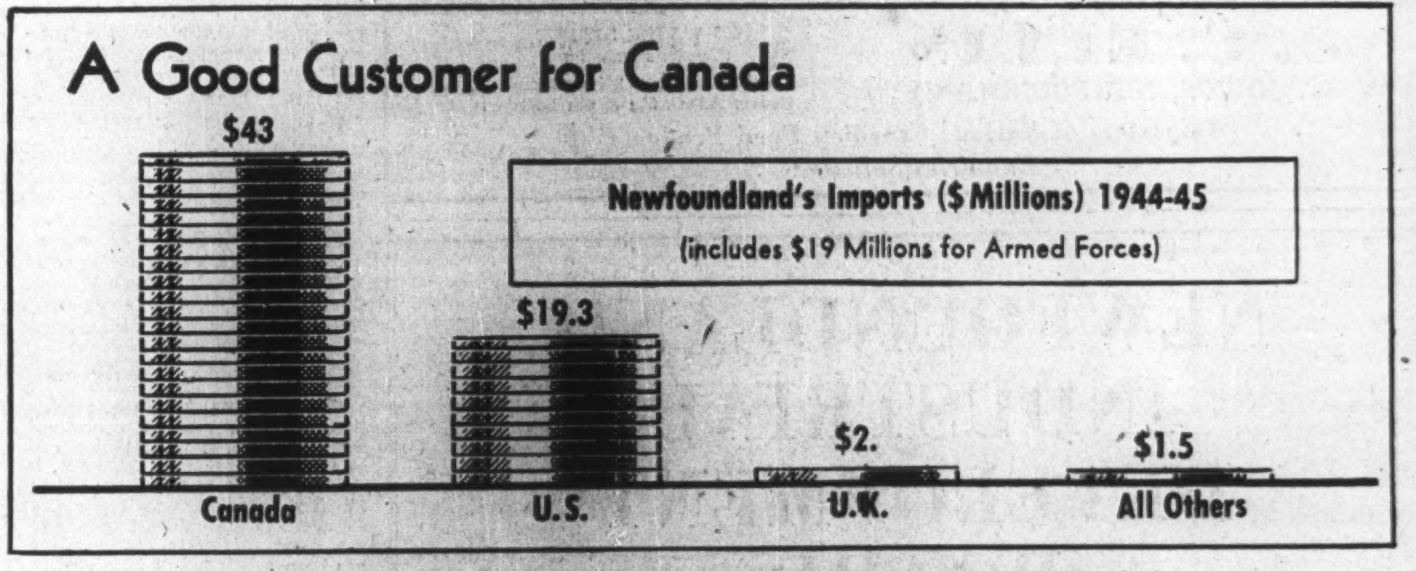
3 In the years 1930 to 1942 forest products topped fisheries in Newfoundland's export trade, but the swing back is shown in the trade report for 1944-45.



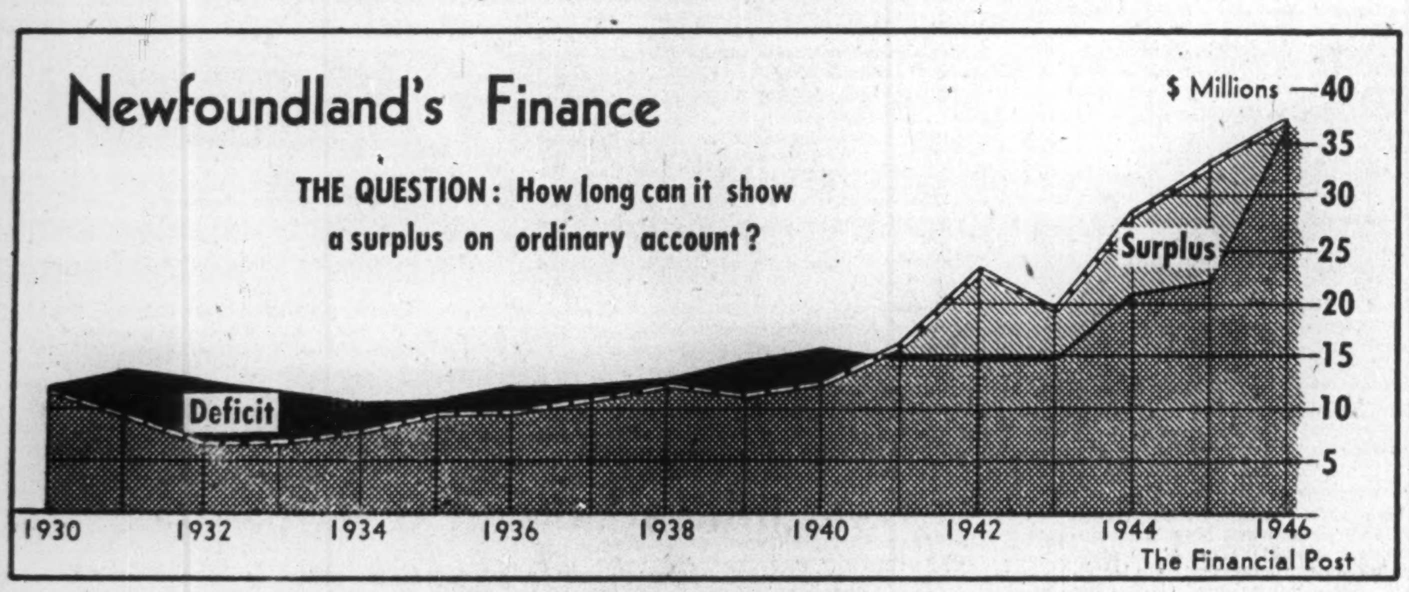
4 For Newfoundland, the "Big Three" in 1944-45 were United States, United Kingdom and Canada. They bought $31 millions or more than 66% of the island's exports.



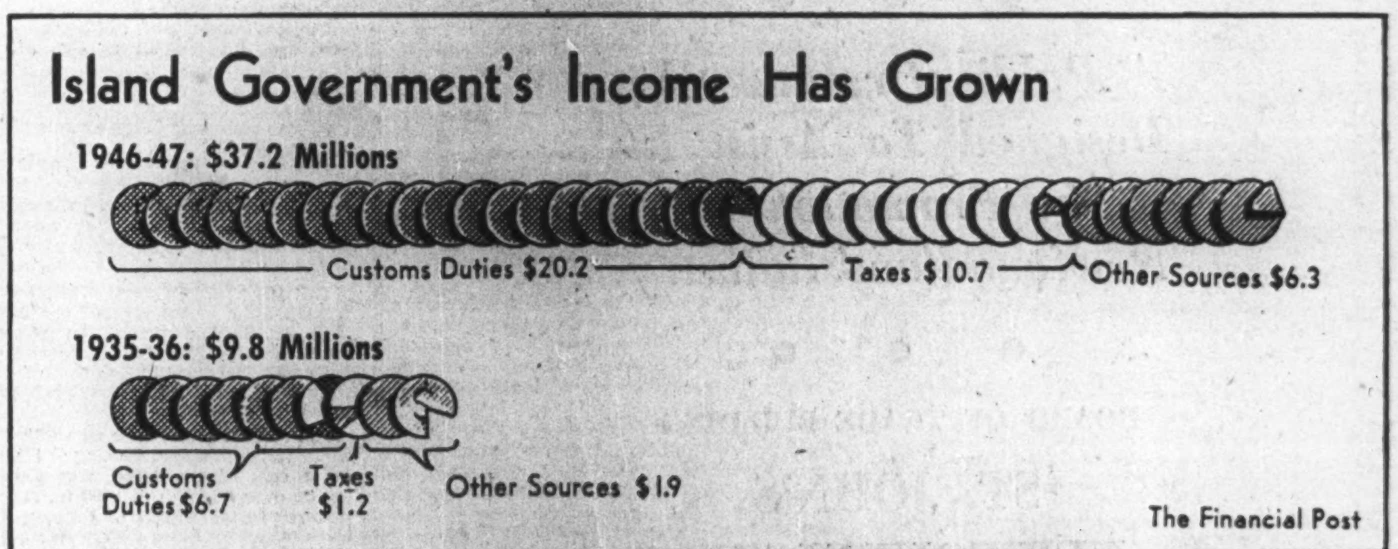
5 In dollar value, more than half of Newfoundland's imports are essential to its life and industry; customs duties on these provide major source of government revenue.



6 Newfoundland holds an important place in the Canadian economy, buying food, gasoline and fuel oils, coal and wheat flour in ever-increasing quantities.



7 War-boomed finances brought a total surplus of $28 millions in Newfoundland's ordinary account. With expenses still rising, island faces grave fiscal problem.



8 Prosperity in Newfoundland is reflected in Government income; customs revenue drops from 70% to 54% of total; income taxes rose from 12% to nearly 30%.

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Island Has Three Problems in Finance

Limited Revenue and Natural Resources Big Factors

Newfoundland's budget planning is held in a strait-jacket by: limited sources of revenue, few natural resources and need for improved services. A Financial Post staff writer here summarizes the 1947-48 budget; discusses the future in the light of the budget forecast.

While the National Convention deliberates the island's every move toward its future form of government, Newfoundland's Commission Government calmly says: "Business as usual."

In his budget speech last month Finance Commissioner, Hon. R. James, sounded the Government's keynote when he said: "The task of the Government for the time being is, of course, to carry on the normal process of government."

Newfoundland's budget this year follows closely the business-as-usual philosophy. It contained nothing such as Canadian Finance Minister Abbott's reduction of income taxes. In fact Commissioner James had the painful duty of telling some Newfoundlanders (over $8,000 income) that they would have to pay higher taxes. But probably the most significant part of the budget was the disclosure that the days of big budget surpluses are over. Although revenues in 1946-47 reached an all-time high, so did expenditures, leaving only a nominal surplus of $105,994.

This question of surpluses vs. deficits has beset the country almost since it was first settled. And it was largely because of constantly recurring deficits that the Newfoundland Government voluntarily turned reins of government over to United Kingdom in 1933. In setting up a Commission of Government the United Kingdom guaranteed to underwrite Newfoundland's deficits if and when they should occur.

Have Accumulated Surplus

Today, of course, there is no question that United Kingdom will be called on to meet any budgetary deficits. In his budget address Hon. James stated that Newfoundland had an accumulated surplus of $28.8 millions. This sum was built up largely during the war years when the island's finances were augmented by expenditures of Canada, United Kingdom and United States in the country.

Newfoundland is faced with three major finance problems:

(1) Limited sources of revenue.

(2) Need for improving and expanding government services.

(3) Comparatively few natural resources available.

These factors tend largely to put budget planning in Newfoundland in a strait jacket.

In the 1946-47 fiscal year approximately 83% of the total revenue of the island came from two sources, customs duties and income and corporation taxes. But more than 50% came from customs alone. Customs duties are imposed on practically every commodity that Newfoundland imports, including foodstuffs and other living essentials. This dependence on imports for government revenue has one important effect: in prosperous times, such as the present, when commodity prices are high customs revenue is high; during depression periods, however, when per capita income is low, and commodity prices are low, revenues decline. But it is during such depressed periods, when the demands on government finances are heavy. If the cyclical budgeting theory had any validity Newfoundland would be the country to prove it.

There is, however, a second factor, mentioned above, which must be considered. That is the present need for more government services. More schools, roads, and medical services are three of the primary needs at the present time.

Lack Of Natural Resources

The third problem which affects Newfoundland's finances is the lack of known workable natural resources. Outside of fish, forests and iron ore the country has little else to support a diversified manufacturing industry. This means that the Government must earmark certain of its revenue to improve present industries and to hunt out still-hidden resources.

For as long as it remains in power Newfoundland's Commission of Government is going to travel a middle road. In his budget speech Commissioner James told Newfoundlanders the facts to be faced and what the Government proposed to do about them. He said:

1. Forced as it is to import practically all of its requirements, and with exports limited to a few commodities, Newfoundland is exceptionally sensitive to external conditions.

2. In the long run no country, and no industry, is better than the men and women who run it. That is the justification for the considerable sums which we (government) are spending on the improvement of health and education.

3. Unless new resources can be found we can only do our best to ensure that existing resources are developed and exploited as far as possible . . . using aids of scientific research and modern invention.

Newfoundland's budget for 1947-48 closely follows this policy. Natural resources department is to get 18% more than it spent last year; education gets a 7% increase: public health and welfare up 6% and public works up 5%. Here is where some of the money will be spent:

Natural Resources — Increase for this department includes a larger grant for the establishment of the Government laboratory for the study of problems affecting the fisheries industry.

An increase in the provisions for the supply of bait and for the erection and maintenance of bait depots.

Office of a trade commissioner for Newfoundland was opened in United States toward the close of 1946.

Aerial survey in connection with the seal fishery undertaken this year. This is proving useful in guiding sealers.

Survey of timber resources in Labrador to begin this summer.

Construction of 15 miles of farm roads in the Humber Valley area on the west coast to help in land settlement.

Loans to be provided for the development of the fishing industry.

Education—This year there is an increase of $25,000 for assistance to pupil teachers and an increase of $15,000 for the purchase of school books, etc., for resale. Regional libraries will also get larger grants.

Public Health and Welfare—A cottage hospital will be operated at Botwood (acquired from the Canadian Government in 1946-47). Also a home for female delinquents will be opened.

Provisions for assistance to indigent persons and allowances to widows show increase of $300,000 and $120,000 over 1946-47.

Corner Brook general hospital gets a grant of $225,000.

A nutritional adviser has been appointed and steps will be taken to disseminate information about nutrition and to widen and improve the distribution of milk powder to school children. Provision for nutrition in schools and child welfare is stepped up from $30,000 to $150,000.

Public Works—Maintenance of existing roads and bridges will cost an estimated $1 million. Another $1 million is provided for the construction of new roads.

Construction and extension of public buildings and hospitals will take approximately $1.5 millions. This includes amounts for the construction of the West Coast Sanatorium, partial renovation of St. John's Sanatorium, extension to the mental hospital and renovations and new building at the St. John's general hospital.

Budgets For Deficit

To provide for these increased services the Commission of Finance was forced to budget for a deficit in 1947-48. As pointed out earlier, it appears that Newfoundland is again entering a period of deficit budgets. For the present this does not present too great a problem since the accumulated surplus can be drawn on to meet the shortfall. This year it is estimated that the deficit will amount to about $1.9 millions.

It is likely, however, that Newfoundland will have uses for the surplus other than meeting yearly deficits. At present some $3 millions of the accumulated surplus is invested in interest-bearing short-term securities. This amount is provisionally earmarked to redeem 3½% trustee stocks which form part of the country's public debt. Another $7.9 millions of the surplus is on an interest-free loan to United Kingdom.

Many Newfoundlanders have urged that a good part of the accumulated surplus should be used to retire part of the public debt. Practically all Newfoundland's debt is held outside the country and at March 31, 1947, amounted to approximately $74 millions. There is in addition $1.5 millions owing United States Defence Supplies Corp. plus savings certificates in the hands of the public. The cost of carrying the outstanding debt at present is about $3.6 millions.

While a reduction of the debt would reduce these fixed charges the application of surplus funds for this purpose would deplete Newfoundland's working capital. Actually the cost of the public debt does not of itself create the country's deficits since the true cause is more deep-rooted, i.e., a chronic adverse trade balance. And it could well be that Newfoundland will require large capital outlays in the near future to either expand present industries or develop new ones.

Need "Provincial" Funds

With a delegation from the National Convention slated to visit Ottawa this month Canada this year has a greater interest in that country's finances than ever before.

Should Newfoundland decide to enter Confederation it has been broadly estimated that cost to Canada would run about $20 to $30 millions annually. But if Newfoundland were required to pass over the major tax fields to Ottawa it would leave virtually nothing for such "provincial" costs as education, roads, health, etc.; responsibilities for which Newfoundland has increased its provisions this year.

Revenue from income and corporation tax could not be increased appreciably in Newfoundland, it is felt. At present in the personal income tax field exemptions are $1,000 for single persons and $2,000 for married with 12% tax on incomes in excess. Over $6,000 a supertax is added on a sliding scale. This year the supertax on incomes of $8,000 and over was increased. To all taxes is then added a 50% surtax. Corporations are taxed at the rate of 22½% for the first $5,000 of taxable profits and 35% on the balance. Excess profits tax was wiped out last year.

Thus while some Newfoundlanders point to their per capita debt of around $300 compared to Canada's $1,626, the fact is that Newfoundland is probably less well equipped to carry it. In the meantime revenues are being well maintained, interest bearing deposits in banks are up to a record $73 millions and the $28 millions surplus is still in reserve.

As Commissioner James pointed out in his budget speech one of the country's most ambitious projects, the Newfoundland Railway, requires approximately 13% of the estimated total revenue. Operating losses for the years 1947-48 and 1946-47 are estimated at $3.5 millions. It is pointed out that a logical use of Newfoundland's capital should be aimed to reduce this drain on the yearly revenues.

In the final analysis, however, Newfoundland's finances are the result rather than the cause of any economic difficulties which the country has experienced. Newfoundlanders probably realize this better than anyone else. These same financial problems have been debated and examined during the past year by the National Convention. But ordinary dollars and cents can play an important part in helping the island to find its economic feet. A sound fiscal policy which emphasizes job-producing, productive expenditures should do much to help Newfoundlanders realize a greater return from their natural resources.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

PELLER BREWING CO. reports that, although brewing operations were commenced prior to the end of its fiscal year (Oct. 31, 1946), it was the middle of December before its first product was ready for shipment to the public. Capacity of the plant originally contemplated has been substantially increased as the directors felt that by reason of recent legislation the outlets will become more numerous and the demand for the product would steadily increase, President Andrew Peller states.

Current assets total $33,317, current liabilities $43,121 at Oct. 31, 1946.

Fixed assets were $811,259, deferred assets $7,293 and preliminary expenses and commission on sale of stock at $23,840.

Deferred liabilities total $19,899. Issued capital is $811,689, consisting of 23,000 5½% preferred shares, par $25, and 236,689 no par value common shares.

GOLDEN MANITOU MINES treated a lower tonnage of ore in 1946 but bullion production was approximately $100,000 higher and net profit increased 34.53% to $129,955. Working capital was $80,681 higher at $289,229.

The sericite schist zone on southeast claims, approximately 1½ miles east of the mine, was explored over a length of 1,000 ft., returned narrow widths of commercial ore in five holes over a length of 400 ft. Shaft was extended from 7th to 10th level and three new levels opened at 1,260 and 1,410 and 1,570 ft. The new levels have given access to approximately 750,000 tons of additional ore. However, only portion of footwall, or secondary ore body, which has already been drilled from the new levels, is included in total ore reserves of 735,302 at year end.

Surplus account (see below) reflects adjustment of $544,917 to a normal basis of depreciation and amortization which were charged in prior years on an accelerated basis.

OPERATING STATEMENT

Years Ended Dec. 31:	1946	1945
Production	$1,615,070	$1,522,755
Less: Development	131,259	61,789
Mining	425,317	502,806
Milling	302,807	333,541
Gen. mine exps.	253,369	188,203
Head office exp.	22,157	15,786
Int. on loans	7,615	28,570
Operating profit	472,546	392,060
Less: Deprec. & amort.	279,346	262,475
Income tax res.	63,245	32,991
Net prof. & surp. for yr.	129,955	96,594
Earned per share	$0.043	$0.032
None paid.		

CONDENSED BALANCE SHEET

As at Dec. 31:	1946	1945
Cash & concs.	$351,031	$338,878
Accts. rec.	3,992	3,949
Mat. & supplies	158,950	116,584
Total curr. assets	513,973	459,411
Prep. exps.	11,167	15,243
Prel. development	387,958	519,255
Claims & props.	1,173,694	1,173,694
Plant & equip.	1,263,701	1,310,481
Total assets	3,350,493	3,478,184
Bank loan sec.	......	150,000
Accts. & tax. pay.	224,744	100,863
Total curr. liab.	224,744	250,863
Funded debt	......	230,500
Depr. & amort. res.	1,085,418	1,350,989
Capital stock	1,330,007	1,330,007
Surplus	†710,324	115,825
Working capital	289,229	208,548

†Reflects credit adjustments of $464,543.

OPERATING STATISTICS

	1946	1945
Tons milled	224,550	283,150
Average recov.	$7.19	$5.35
Ore reserves, tons	735,302	756,726
Grade:		
Zinc, %	6.52	7.35
Gold, oz.	0.027	0.027
Silver, oz.	3.64	2.97

BOYCON PERSHING GOLD MINES advises that May 14 installment of 200,000 shares at 15 cents a share under agreement with Harricana Gold Mines Inc. (1939), has not been exercised and balance of agreement has been terminated for default.

Crosbie & Co. Ltd.
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St. John's, Nfld.
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St. John's Newfoundland

CITY OF ST. JOHN'S
NEWFOUNDLAND
•
Facts About St. John's

The following facts concerning the City of St. John's are of interest:
First elected council took office in 1888.
Present population of City: 50,000.
The City has a Property Valuation of $60,000,000 0.00.
Annual Rental Valuation: $2,750,000 (on which taxation is based).
Fire Insurance Premiums collected within the City amount to approximately $500,000 annually.
The City Bonded Debt, $2,100,000 maturing 1969; interest rate 3½%. Bank Loans amount to $300,000.

WATER SUPPLY
The water supply is secured from Windsor Lake, situated five miles from the City of St. John's. The elevation of the lake is 500 feet above the City Area of watershed; about twenty miles. A practically inexhaustible supply of first-class water is available for all requirements. Water pressures all over City are maintained at 80 to 130 lbs., which ensures ample fire protection. Although the supply is capable of giving 20,000,000 gallons per day, the average daily consumption at present is only 8,000,0000 gallons.
In addition to the main water supply, an auxiliary supply is situated at George's Pond. This, however, is only used in case of emergency.

POWER AND GAS
Hydro-electric power is supplied by the Newfoundland Light & Power Company in conjunction with the United Towns Electric Company, Ltd., at a low rate. Ample power is available for future development.
St. John's Gas Company. New capital has been acquired to increase the scope of the company's activities and to supply gas to residences and for power purposes.

STREETS
Fifty miles of macadam roads; 8 miles paved roads; over 15 miles of concrete walks. Both concrete walks and paved roads will be increased in the very near future.

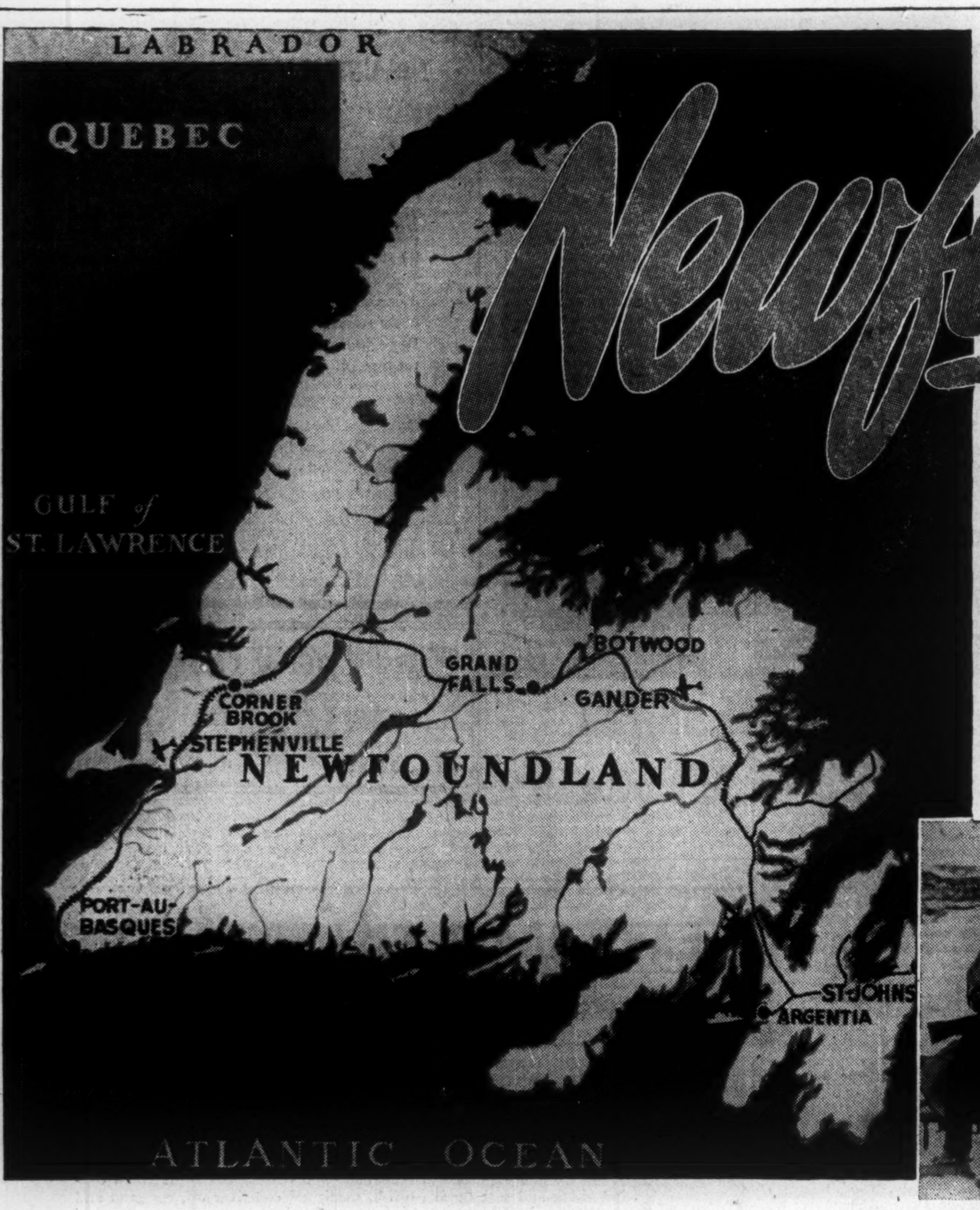
BANKS
Branches of the following Canadian banks are located in St. John's—Canadian Bank of Commerce, Bank of Montreal, Bank of Nova Scotia, Royal Bank of Canada; also Head Office of the Government of Newfoundland Savings Bank.

EDUCATIONAL
The following are some of the City's well-equipped educational institutions:—Memorial University College, Bishop Field College, St. Bonaventure's College, Prince of Wales (United Church) College, Curtis Academy, Bishop Spencer College, College of Our Lady of Mercy, K. of C. Memorial School, Presentation Convent Schools, St. Patrick's Hall and Holy Cross Schools, St. Michaels Church of England Academy.

MANUFACTURING
Some of the leading industrial firms are:
Bennett Brewing Company
Browning-Harvey Factories
Bavarian Brewing Co. Ltd.
Carnell's Carriage Factory
Chalker & Co. Ltd.
Colonial Cordage Company
Wm. Dawe & Sons, Ltd.
Harvey-Brehm Butter Company
Horwood Lumber Company, Ltd.
Imperial Tobacco Co.
Lawrence's Carriage Factory
Newfoundland Boot & Shoe Factory
Newfoundland Brewery
Newfoundland Butter Company
Newfoundland Clothing Company
Newfoundland Furniture & Moulding Co. Ltd.
Newfoundland Lime Mfg. Co. Ltd.
Parker & Monroe's Shoe Factory
Pope's Furniture Factory
Purity Factories, Ltd.
Riverside Woollen Mills, Ltd.
Standard Manufacturing Company
United Nail & Foundry Company
White Clothing Company
Head offices of the United Towns Electric Company and Avalon Telephone Company, Ltd., are situated in St. John's.

HARBOUR and SHIPPING
St. John's land-locked harbour is one of the best on the Atlantic sea-board.
All steamers must pass St. John's on the way to and from Canada, the United States and Europe.

ST. JOHN'S MUNICIPAL COUNCIL
Mayor: ANDREW G. CARNELL, C.B.E.
Councillors:
J. J. SPRATT *(Deputy Mayor)*
H. G. R. MEWS
O. L. VARDY
W. P. RYAN
J. P. KELLY
E. JERRETT
City Clerk: J. J. MAHONY, J.P.



Newfoundland

Beckons YOU

For your VACATION

The attractions and advantages which Newfoundland has to offer the sportsman cannot be surpassed elsewhere on the North American Continent.

FISHING — almost one third of the surface area of the Island is fresh water and in most of these bodies of water the famous sporting Atlantic salmon and native trout abound. There are 104 scheduled salmon rivers throughout the country, none of which is leased.

BIRD GAME SHOOTING — partridge (ptarmigan or willow grouse) is the chief lure of the gun but wild duck, wild geese, snipe, curlew and many varieties of sea birds are also plentiful.

MOOSE AND CARIBOU HUNTING — a new thrill for big game sportsmen. Following the lifting of the close season in recent years, herds of lordly caribou and moose now roam the interior of the Island offering unequalled sport for gun and camera alike.

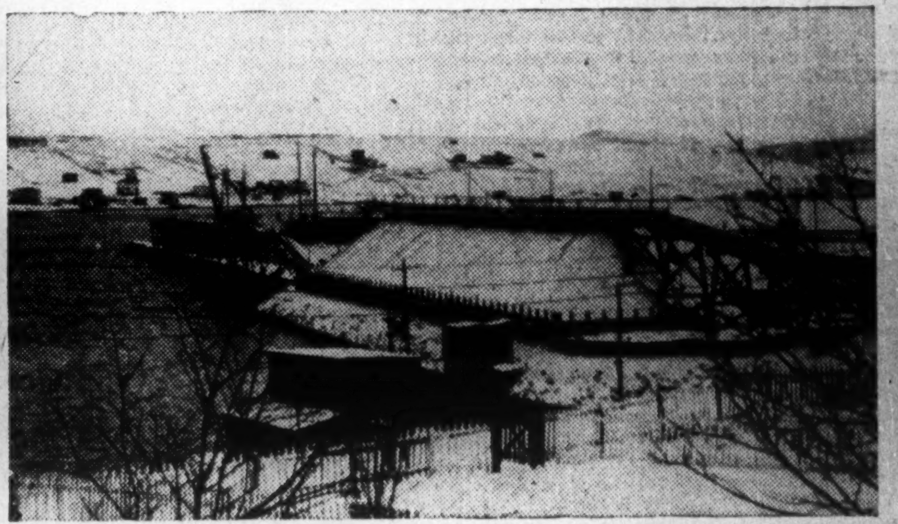
NEWFOUNDLAND, Britain's oldest colony, offers many opportunities for industrialists and enterprisers. Among her natural resources are a variety of raw materials for manufacturing including lead, zinc, copper, iron, limestone, pyrophyllite and other minerals. Deposits of gold, copper and molybdenite await development. Newfoundland and Labrador provide some of the largest remaining sources of pulp timber in the world. This makes pulp and paper production one of our major industries. Opportunities for power development abound along our waterways.

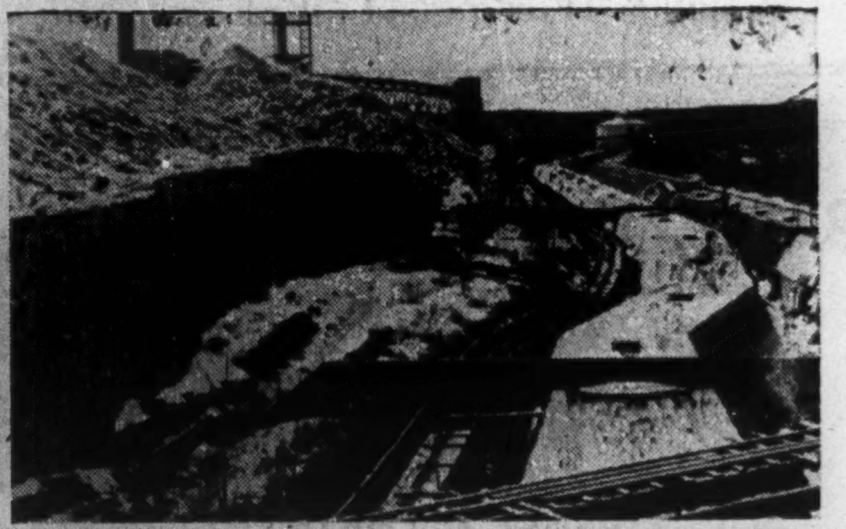
Newfoundland's strategic location at the crossroads of sea and air traffic between points on this continent, South America, Europe and Africa promises a big future in export trade. Here is provided the ideal distributing centre for all types of commodities, originating here and elsewhere. Why not spend your vacation here and investigate the vast opportunities offered? You will have our full co-operation and we will be glad to supply any information you may require.

FISHING as an industry has been the mainstay of Newfoundland for three centuries. The world's best codfish is our main export commodity. In recent years great progress has been made in the production of frozen cod-fillets. Herring, lobster, salmon and seal fishing are also of much importance. Below is a scene at one of our many fish processing plants.

MINING is destined to play a big part in Newfoundland's industrial development. Surveys have been promising. The world famous lead, zinc and copper mines at Buchans, and one of the largest known iron ore deposits in the world at Bell Island are examples. Iron ore discoveries recently made in Western Labrador show that Labrador, too, offers great opportunities for development. Limestone, fluorspar and pyrophyllite are also produced in large quantities. Many other minerals offer attractive opportunities to enterprise.

PULP and PAPER With a vast source of pulp timber at hand here and in Labrador, Pulp and Paper production has already been expanded, by two large paper organizations, to the point of being one of the Island's major industries. Other pulp products can be readily developed here. Why not investigate the possibilities?





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Having recently opened a modern store for the sale of Home Appliances, etc., together with our wide organization of reliable distributors in all important towns throughout the Island, we are in a unique position to ensure countrywide distribution.

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ST. JOHN'S — NEWFOUNDLAND

Pulp and Paper Industry Grows

Bowater's Expansion Will Add 15,000 Tons Annual Production

Here is construction progress on the $7 million expansion plan of Bowaters' Newfoundland Pulp & Paper Mills Ltd. at Corner Brook, Newfoundland, where the additional paper machine to be in operation by the fall of 1948 will be the world's fastest, at 1,750 ft. per minute.

Although Newfoundland's pulp and paper ranks second to fisheries in the value of production, it is growing in importance in the island's export trade.

During the first four months of 1947 Newfoundland's newsprint mills turned out 123,276 tons of newsprint with a total value of $10.5 millions (on the basis of $84 per ton up to the end of March and $90 threafter). This output is 3.7% above the corresponding period last year when 362,671 tons were produced in the 12-month period.

Last year approximately two thirds of Newfoundland's newsprint was sold to United States. Shipments so far this year indicate that a large proportion is again going to that country. Following are figures for shipments of Newfoundland newsprint since 1943:

	1947 (4 mos.)	1946	1945	1944
U. S.	62,367	208,480	121,831	100,035
Overseas	38,811	150,513	194,415	169,734

All of Newfoundland's pulp and paper products are produced by two companies — Anglo Newfoundland Development Co. and Bowater's Newfoundland Pulp & Paper Mills. These companies hold all the workable pulpwood limits in Newfoundland. Anglo-Newfoundland's areas were obtained in 1905 and were added to by some purchases from other holders. Bowater's areas are largely covered by an agreement with the Newfoundland Government dated Nov. 29, 1938.

Export Prospects Bright

While newsprint and pulp exports at present are secondary to fish exports, the outlook for increases in the former appear bright. Along with other newsprint companies the two Newfoundland companies have increased production considerably during the past few years.

Following are production figures since 1943 according to the Newsprint Association of Canada:

		tons
1943		236,207
1944		272,799
1945		332,693
1946		362,671
1947	(4 months)	123,276

Anglo Newfoundland Development Co. also operates mines at Buchans through a subsidiary. The company was established by the Northcliffe interests of London in 1909 and its chief pulp and paper operations are in the area of Grand Falls.

The production of saleable newsprint in 1946 was 176,265 short tons and of dry baled sulphite 11,298 short tons. Pulpwood cut during the 1946-47 logging season totalled 364,000 rough cords. This company has an annual newsprint capacity of 630 tons per 24 hour day with seven machines in operation. An additional eighth machine produces 50 tons of wrapper or alternatively 70 tons of dry sulphite per 24 hour day. Improvements to the existing paper machines are proceeding and when completed will increase the newsprint capacity in excess of 200,000 tons per year.

During the early months of 1946 the company's mills operated somewhat below capacity due to pulpwood shortage. The sulphite machine shut down in the closing months of 1945 and remained out of operation until the end of April, 1946, when full capacity operations were again started. Production on this basis continued until the end of November when again as the result of pulpwood shortage the sulphite machine ceased operation and shut down until February of this year.

During the shutdown period additional equipment — calender stack, reel, winder, etc.—was installed for the production of wrapper. It is expected that the machine will continue production of wrapper until June when with the additional pulpwood available the production of dried sulphite will be resumed.

The company's mills at Grand Falls employ from 1,300 to 1,400 during the summer months and from 1,100 to 1,200 during the winter. Bishop's Falls mills employ 200 in the summer and 100 to 130 in the winter. The shipping port at Botwood takes a staff of 500 to 600 in the summer and approximately 100 in the winter. Anglo Newfoundland also has a permanent logging force of 300 men which is boosted seasonally to 2,000-2,500.

Imports and exports through the company's shipping port at Botwood were well maintained at 390,000 long tons. Tonnage handled during the winter through the port of St. John's amounted to 30,335 long tons, a slight reduction from the previous year.

The pension plan instituted by the company costing several millions of dollars became effective in 1946. Approximately 170 of the company's past and present employees became eligible to and retired on pension based on service and earnings. The company considers the pension plan one of the most important steps yet taken.

Bowater's Newfoundland Pulp & Paper Mills—owns and operates a newsprint plant, sulphite plant, barking plant and power development near Corner Brook, Newfoundland. The newsprint is sold in part through Bowater Paper Co. Inc., a wholly owned subsidiary of Bowater's Paper Mills.

The Corner Brook properties include a newsprint mill having four 234-inch newsprint machines and one 120-inch machine and having an aggregate daily capacity of 665 tons or approximately 210,000 annually. The company also owns a 150-inch sulphite pulp and drying machine with an aggregate daily capacity of 130 tons. An addition to the sulphite plant came into operation in March, 1941.

Power is provided by a hydro-electric plant at Deer Lake, 31 miles from Corner Brook, with installed capacity of 150,000 h.p. Timber holdings cover an area of more than 11,230 sq. miles held under freehold and Crown licenses. The total stand is estimated at over 20 million cords of pulpwood.

In June of last year it was announced that the company was speeding up its existing newsprint machines so that effective capacity of the mills will be increased by 12,000 to 15,000 tons yearly. This was in addition to the increase of 75,000 tons per annum resulting from installation of four-roll newsprint machines at a capital cost of $7 millions.

When these developments are completed Bowater's mills at Corner Brook will rank as one of the largest producing units in the world with a total annual saleable production of pulp and paper in excess of 355,000 tons of which 290,000 tons will be newsprint. The expansion program will provide regular employment for 1,000 additional men in the woods and mills. It is anticipated that the new machines will be in operation by 1948.

Earnings of the company for the year ended Sept. 30, 1946, amounted to $3,523,208. After deducting depreciation and depletion of $862,078 and bond interest of $933,138 net income of $1,727,992 remained. In December, 1947, bonds of the company were offered for sale in Canada and Newfoundland only. The amount of the issue was $6,683,500, first mortgage 3½% series of 1947 due Jan. 1, 1968. Proceeds of the sale were used to redeem $2,395,500 of outstanding 4% bonds, to reimburse the company for capital expenditures of $3.5 millions and to provide working capital.

The quantity of wood cut during the 1945-46 season was the largest ever recorded, but deliveries were seriously curtailed by an exceptionally severe drought which prevailed in the summer and autumn. The company's newsprint mills operated at capacity through the year but the sulphite mills could only be operated for a short period. It was also necessary to curtail newsprint production to a limited extent last fall and winter.

HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO primary loads for April showed an increase of 10.2% or 245,000 h.p. over the corresponding month of 1946. Combined primary and secondary loads showed an increase of 5.4% or 139,000 h.p.

The following figures represent loads actually carried. In interpreting them, it must be borne in mind that owing to a deficiency in power resouces, loads have been severely curtailed in southern Ontario. A comparison of potential power demands in southern Ontario would show a much greater increase than indicated by these figures.

Maximum 20-Minute Peak H.P.

	Apr. 1947	Apr. 1946	% Incr.
Primary Loads:			
South. Ont. ...	2,262,905	2,073,743	+9.1
Thunder Bay ..	142,091	131,233	+8.3
Nor. Ont. Prop.	241,606	196,156	+23.2
Total	2,646,602	2,401,132	+10.2
Primary and Secondary Loads:			
South. Ont. ...	2,265,050	2,161,249	+4.8
Thunder Bay ..	149,464	153,753	—2.8
Nor. Ont. Prop.	312,182	272,657	+14.5
Total	2,726,696	2,587,659	+5.4

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The Dominion Steel and Coal Corporation is proud of its association with the people of Newfoundland and of the part it has been privileged to play in their industrial life. The Corporation is confident that the sturdy character and sterling qualities of this Island people will make for a greater and more prosperous future.

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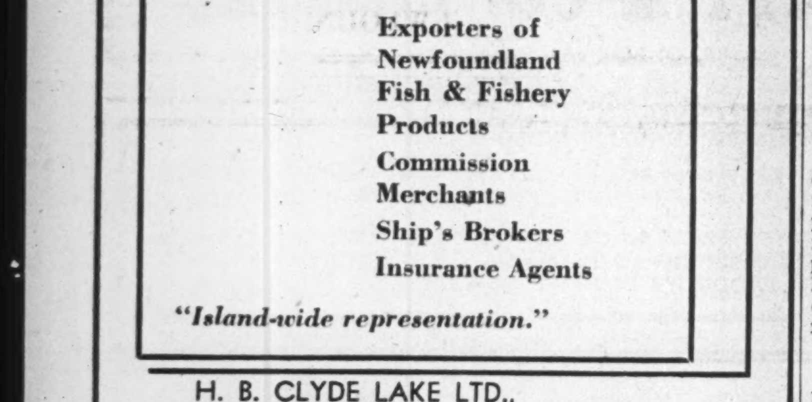

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'Switzerland of Western Hemisphere' Offers Wide Tourist Attractions

Nature has richly endowed rock-studded Newfoundland with a variety and abundance of scenic beauty; but few tourist eyes have beheld the rugged, rocky terrain of the Atlantic guardian of North America. The island consists of 42,500 square miles of rock coated with topsoil and moss; there are numerous lakes and rivers, large and small; and 6,000 miles of irregular coastline penetrated by networks of Norwegian-type fjords.

There are two reasons why this potential "Switzerland of the western hemisphere" has attracted only a few tourists. First, lack of roads. Second, lack of accommodation. There just isn't any tourist "industry" in Newfoundland.

Few people on the island are at all tourist-conscious. Almost 50% of the population still dwell in 1,100 coastal settlements of less than 500 population. Merchants and traders for three centuries have concentrated on importing every known type and item of consumer merchandise, to the exclusion of the lucrative tourist dollar.

Tourist Board Quits

Recently the Commission of Government notified the Newfoundland Tourist and Publicity Board that it could not, at the moment, consider establishing a separate department to carry out recommendations of the Board for stimulating tourist traffic. This decision led to the resignation in a body of the 20-year-old Tourist Board.

But World War II made the island aware of its tourist potential for the first time. Previously, tourist travel to the island largely consisted of cruise passengers who arrived at Corner Brook on the west coast of St. John's, the capital, the only city on the Avalon Peninsula. In addition to these seasonal visitors, a small number of well-to-do American and Canadian tourists came each year for salmon and other types of sport fishing on the west coast, particularly the Codroy Valley and the scenic Humber Valley.

Yet few persons from Canada or the United States who have travelled extensively throughout the lakes, rivers, valleys, natural harbors, mountain ranges and rugged coastline would question the great possibilities existing today for tourist development in Newfoundland. There has been little investment so far, in tourist plant or facilities. Foreign capital is likely soon to be invested on the west coast in tourist accommodation, under the experienced management of tourist caterers from abroad.

More co-operation on the part of the government-operated Newfoundland Railway toward improvement of summer schedules, rolling stock, and a policy of hospitality toward the tourist traveller, would help to attract tourist capital from abroad as well as from home.

Can Hook Codfish

In various parts of Newfoundland, codfish can be caught by hook and line, offering a fascinating lure to the angling tourist in search of new adventures. There are many fine trout streams and rivers, which thus far have been largely neglected because of their relative inaccessibility. Salmon fishing to attract the sporting enthusiast with line-and-rod, and said to equal the finest angling anywhere on this side of the Atlantic, is to be found in the Codroy Valley and Humber River regions of the west coast.

In addition, many streams on the west, south and a few parts of the east coast abound in trout, which would offer much to the tourist if they were more accessible.

Many districts of Newfoundland offer a variety and an abundance of wild animals to attract the huntsman. Largest wild animal is the moose, quite plentiful in many regions. Smaller and less abundant is the caribou, a native deer. A restricted number of special licenses are issued each year to visitors to hunt moose or caribou; the fee is $25 for nonresidents who must be accompanied by a licensed guide. However, no "open" season exists for moose, caribou, marten and beaver.

Other species of wild game include several kinds of fox, black bear, marten, beaver, muskrat, lynx and otter. Fish catch is limited to eight salmon a day, 24 sea trout or 36 brook trout per day.

Should Book In Advance

Visitors and tourists to Newfoundland may travel by rail and ferry steamer via North Sydney, on the tip of Cape Breton Island, to Port-aux-Basques on the southwest corner of the island. Or by air via Gander Airport and Torbay Airport, the latter just outside the capital St. John's. Gulf steamers between North Sydney and Port-aux-Basques maintain a thrice-weekly schedule during the active travelling season, from mid-May to December, leaving on Tuesday, Thursday and Saturday evenings. Connections are made at Port-aux-Basques with the Newfoundland Railway's Foreign Express which travels the 550-mile main transinsular route to St. John's in a scheduled 26 hours.

Travellers to Newfoundland via steamer would do well to book steamer reservations well in advance; last year overnight reservations for the gulf steamers were not accepted at Canadian travel depots or ticket agencies after July 1. Tourists and business people are also advised to travel by air to Newfoundland during the late-winter period, March 15 to May 1, when the main rail line is frequently blocked by snow conditions on the Topsail Mountains.

It takes but a fraction of the rail-and-steamer time to reach St. John's and other east coast points in Newfoundland by air. Canada's own TCA provides the only domestic air passenger service for Newfoundland, that is, flights starting and terminating within the island or flights starting in Canada and terminating on the island; three scheduled flights daily in each direction after June 1. The Maritimes-Newfoundland flight begins at Moncton and ends at St. John's Torbay Airport, with short stop-overs at Sydney, N.S., and Gander international airport in Newfoundland, located near the transinsular main line of the Newfoundland Railway about 20 miles from the east coast.

Lying virtually at the front door of Canada and the United States, is a tourist Mecca know to few today. Newfoundland's 42,500 square miles of area, its 6,000-mile coastline, penetrated by networks of Norwegian-type fjords, make it a potential "New World Switzerland." Standing today on the threshold of a new political era, the Island hopes to play host to far more visitors from abroad than ever before.

Gander Is Air Hub

Pan American Airways operates daily flights to Gander direct from Boston and New York, in conjunction with heavy transatlantic services. All eight international airlines operating transatlantic services make short stop-overs at Gander during the summer months on some or all of their flights, providing a service between United States airports and Newfoundland on special flights. Air passengers disembarking at Gander can make rail connections on the Newfoundland Railway to continue their journeys either east or west.

During the summer, the government-operated Newfoundland Railway provides weekly round-the-island coastal steamer service, for freight and a limited number of passengers. The round trip requires about 10 days to two weeks, with numerous stops at picturesque coves, harbors, seacoast ports and river terminals, such as Corner Brook on the Humber Arm, Bonne Bay on the west coast, Port-aux-Basques, Burgeo and Hermitage on the south coast; and several ports-of-call on the Burin Peninsula near the famous Grand Banks.

Passengers generally remain on the ship during overnight stops, as few towns or ports in Newfoundland have first-class or any type of tourist accommodation catering to a transient trade. In addition to these coastal trips, there are periodic direct sailings between Halifax and St. John's on cargo vessels, but passenger accommodation on these ships is limited and difficult to book in advance.

Motoring tourists are advised to leave their automobiles at North Sydney if they enter the country via the shortest route, North Sydney to Port-aux-Basques. Outside of the populous Avalon Peninsula, on the southeast corner of the island, there are only local networks of roads throughout the island. Longest road trip which can be made at present covers a travelling distance of about 120 miles between, say, Cape Bonavista and Portugal Cove South on the southern tip of the Avalon Peninsula; or a 100-mile journey from Terrenceville on Placentia Bay to the capital, St. John's.

Access to points on the east coast outside of the Avalon Peninsula and Bonavista is difficult, largely available by rail or boat. Only on the Avalon Peninsula is the road system at all compete.

Newfoundand still has no transinsular highway. Several road construction programs now under way have as their ultimate goal the linking-up of four separate local road networks into one transinsular link, roughly paralleling the half-moon course of the 550-mile transinsular railroad line. With a small population inhabiting such a relatively large area, many people in the past have doubted whether construction of a transinsular highway by revenue of the island's meagre treasury would be justified economically. But plans for such a road are now well beyond the planning stage.

Largest and most sumptuous hotel on the island is the impressive, government-operated Newfoundland Hotel of 200 rooms at St. John's. Other hotels within the ancient capital include the Crosbie, 40 rooms; Cochrane Hotel, 40 rooms; and the Balsam Place, with 35 rooms.

At Grand Falls the Anglo-Newfoundland Development Co. operates a modern, brick staff house, which has limited accommodation for tourists. Likewise the Bowaters Pulp and Paper Mills operates a staff house at Corner Brook amidst beautiful, natural surroundings, the Glynmill Inn. Tourist accommodation at either of these hotels is limited because of the needs of permanent guests and the new expansion programs of the companies.

There are small tourist hotels and cabin accommodations for tourists at Curling, near Corner Brook; Deer Lake, about 30 miles northeast of Corner Brook; one at Spruce Brook which is a popular resort for visiting anglers. Elsewhere on the island there is the Thornlea Hotel at Bonavista; the Bungalow at South Branch, on the Avalon Peninsula; the White House at St. George's on the west coast; and the St. George's Inn at Stephensville, near the American airbase, Harmon Field. When the projected Corner Brook-Stevensville Highway is completed early next year there are possibilities of establishing tourist cabin resorts on the west coast which are a long-overdue need of the tourist trade in Newfoundland.

Tens of thousands of Canadian and American troops who were stationed for long periods in Newfoundland during the war have established a warm association with the people of the Island, and have acquired an understanding for these hard-pressed people of Newfoundland who were so generous with their hospitality and so anxious to share with others more fortunate what little they possessed in the way of the world's goods and simple comforts. For this and other reasons, it is not outside the realm of early possibility that Newfoundland will emerge slowly in the postwar years with a substantially larger tourist trade.

Better and more roads, improved rail services, support from the Government, and a fair amount of capital investment both from home and abroad, will make this a reality of tomorrow.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

CANADIAN TIRE CORP. net profits were 62.93% higher at $242,447 in 1946, as against retained profit of $148,807 in 1945. Sales increased 43%, despite difficulty of merchandise supply, particularly tires.

The bottlenecks in production are gradually being overcome, President J. W. Billes states. Inventory at year end was at a more reasonable level than for some years, but it will have to show greater improvement to warrant any substantial further expansion program, Mr. Billes adds. Sales volume through the 116 stores is continuing at a satisfactory level.

The company's financial position at year end was stronger than at any time in its history. Surplus increased $162,418, after payment of $95,000 in dividends.

INCOME ACCOUNT

Years Ended Dec. 31:	1946	1945
Net earnings	$490,318	$315,396
Less: Deprec.	22,508	24,790
Income taxes‡	225,363	141,799
Net profit	242,447	148,807
Less: Divds.	95,000	80,000
Surplus for year	147,447	68,807
‡Incl. ref. EPT	......	10,053
Earnings per Share and Dividend Record:		
Com.: Excl. ref. EPT	$2.42	$1.49
Incl. ref. EPT	2.42	1.59
Paid	0.95	0.80

CONDENSED BALANCE SHEET

As at Dec. 31:	1946	1945
Cash	$550,546	$158,417
Invest.	893,470	1,014,577
Accts. rec.	72,657	70,653
Invent.	266,205	242,438
Total curr. assets	1,782,878	1,486,085
Ref. port. EPT	41,249	41,249
Fixed assets‡	559,870	509,204
Total assets	2,383,997	2,036,538
Accts. pay. & acc. chgs.	454,386	347,167
Inc. taxes	176,332	97,010
Total curr. liabs.	630,718	444,177
Mtge. pay.	......	1,500
Capital stock	105,000	105,000
Earned surplus	1,648,279	1,485,861
‡After deprec. of	145,859	124,282
Working capital	1,152,160	1,041,908

STOP & SHOP net profit for the year ended Apr. 30, 1947 was off 55.6%. During the year $29,849 was received in dividends on the company's holdings of Thrift Stores, Ltd., the sole asset of the company. Expenses amounted to $7,540. Deficit account at Apr. 30, 1947 amounted to $264,778. Directors are giving consideration as to whether or not the company should be wound up and its assets distributed amongst the shareholders.

INCOME ACCOUNT

Years Ended Apr. 30:	1947	1946
Divd. rec. (Thrift)	$29,850	$57,420
Less: Gen. exp.	2,379	2,127
Bank int.	581	1,791
Cap. reorg. cost	4,580	......
Lease cost	......	3,250
Net prof. & surp.	22,310	50,252
Earnings per Share* and Dividend Record:		
Com.: Earned	$0.066	$0.148
None paid.		

*Based on present capitalization.

CONDENSED BALANCE SHEET

As at Apr. 30:	1947	1946
Total curr. assets	$991	$1,592
Invest. in subsid.	215,270	215,270
Furniture	......	100
Total assets	216,261	216,962
Total curr. liab.	......	23,060
Capital stock	481,040	481,050
Less: Deficit	264,779	287,088
Working capital	991	†21,468

†Excess curr. liabilities over curr. assets.

DAVID & FRERE net profits of $88,077 in year ended Mar. 31, 1947, were 29.75% higher than the previous year's retained profit. In spite of cancellation of many subsidies on raw materials, and resultant increased costs, the volume and profits of the company have been increased, President de Gaspe Beaubien, states.

Research is continuing into the possibility of increasing the plant when machinery and material can be acquired under practicable conditions.

INCOME ACCOUNT

Year Ended Mar. 31:	1947	1946
Oper. profit	$173,909	$124,717
Less: Deprec.	17,640	23,161
Res. for taxes▲	68,192	41,384
Net profit	88,077	60,172
Less: Dividends	28,687	28,687
Surplus for year	59,390	31,485
▲Incl. refund. EPT	......	234
Earnings per Share and Dividend Record:		
Class "A":		
Excl. ref. EPT‡	$3.83	$2.62
Incl. ref. EPT‡	3.83	2.63
Excl. ref. EPT†	3.00	2.43
Incl. ref. EPT†	3.00	2.44
Paid	1.25	1.25
Class "B":		
Excl ref. EPT†	0.83	0.18
Incl. ref. EPT†	0.83	0.19
None paid.		

‡Before (†after) taking participating feature into account.

CONDENSED BALANCE SHEET

As at Mar. 31:	1946	1946
Cash	$12,861	$6,901
Accounts., notes rec.	106,827	85,015
Investments■	310,830	299,812
Inventories	186,390	130,159
Total curr. assets	616,908	521,887
Suspense acct.†	800	800
Def. charges▲	6,025	8,794
Fixed assets*	195,246	168,575
Total assets	818,979	700,056
Total curr. liab.	91,487	31,954
Capital stock	354,200	354,200
Surplus▲	373,292	313,902
*After depr. of	345,213	356,555
■Market value	327,199	316,106
▲Incl. ref. EPT	1,943	1,943

†Comprising 50 cl. A shs. purchased by co. in 1943; incl. in curr. assets in co's. report.

Working capital	525,421	489,933

Teck-Hughes Profits Down in Four Months

Estimated net profit of Teck-Hughes Gold Mines was $99,668, or 2.07 cents a share in four months ended April 30, 1947 ($150,274, or 3.13 cents a share in similar period of 1946). Bullion production was $359,974 ($316,745) and tonnage treated 26,395 (36,425 tons).

Positive ore reserves totalled 259,985 tons averaging 7.14 dwt., of which 91,811 tons averaging 4.49 dwt. were broken ore (275,990 tons averaging 6.88 dwt.).

Concrete reinforcement of the Central shaft has been completed and the reopening of old levels from 15 down to 24 can soon be started, President D. L. H. Forbes, states.

GAYMONT MINES advises that holes 22, 23 and 24 drilled in south-western section of property have given a vein length of 300 ft. Intersections have run from 1% to 3% copper and from a trace to $3.50 gold per ton, One section in hole 23 assayed a little better than $7.50 in gold and copper over a width of 3 ft. Drilling in north-western Section is reported to have indicated another zone. Examination of cores from latest two holes, 21 and 25, has indicated 21 going through heavy sulphides for 50 ft. at 250 ft. with No. 25 going through heavy banded sulphide breccia from 125 ft. and still in same material at 200 ft.

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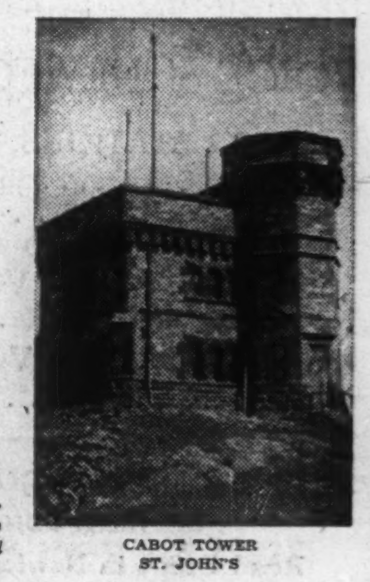

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Island Dominion Looks to Ottawa

Newfoundlanders, After Negotiations With United Kingdom, Explore Anew Possibility of Union With Canada

(Special Correspondence)

ST. JOHN'S—Not surprisingly, tabling of the report of the Newfoundland National Convention's delegation, which recently returned from talks with the British Dominions Office in London, was followed by prolonged and heated debate.

Delegation members and the delegate body of the Convention were sharply divided in their reactions to the information given by Lord Addison, Dominions Secretary. These discussions indicate that Newfoundland's National Convention is divided, on such vital matters as the Public Debt, the Bases deal of 1941, the deficit of Gander Airport and Newfoundland's interest-free loans made to the United Kingdom during the war.

Climax of the three-day debate was the Convention's reversal of its former decision not to send a delegation to Washington to seek possible terms of union with the United States. At conclusion of the debate, Albert Penney of Carbonear moved to send a delegation to Washington for talks on future trade relations between Newfoundland and the United States and possible basis for future union of the two countries. This passed by a unanimous vote.

The London delegation did accomplish what it set out to do—obtain information from the British Government as to the latter's position regarding several matters of vital concern to the Island. The information was supplied in the form of written answers to questions addressed to the Dominions Office. Newfoundland's Governor, Sir Gordon Macdonald, accompanied by Commissioner for Justice and Defense Hon. A. J. Walsh, sat in with the Dominions Secretary during three meetings with the delegation.

Highlights of the replies given the London delegation were as follows:

1. Public Debt: Repayment of two 3½% sterling loans totalling £870,000, maturing in 1950 and 1952, has been provided for by the Commission of Government from Newfoundland accumulated surplus balance. A loan of £400,000 made to Newfoundland by the United Kingdom Treasury in 1917 for war purposes may now be considered as written off; no interest payments have been made since 1931.

Newfoundland's main 3% sterling debt of 1934, at present amounting to £17,790,000, guaranteed as to interest and principal by the British Government, is deemed a Newfoundland obligation which the British Government expects will be honored. Because of the present drain on her financial resources and her unfavorable dollar trading position, the United Kingdom Government cannot consider taking over the debt or writing off any portion of it.

So long as Newfoundland retains the present Commission form of Government the British Government will continue to guarantee the sterling debt; but not otherwise.

2. Interest-Free Loans: Newfoundland made interest-free loans to the British Government during the war totalling $12.3 millions. Britain understands that these loans are repayable on demand of the Newfoundland Government. In 1946, $3,232,000 was withdrawn by the Commission of Government for investment to provide future payment for the two sterling loans totalling £870,000, which come due in 1950 and 1952.

Significantly, Lord Addison advised the delegation that the Commission of Government did not consider it wise to devote the balance of these loans for a further reduction of the Island's main sterling debt.

3. Development Loans: The delegation asked whether the Island could obtain future loans in England for development purposes, to be used for the purchase of goods and services from the United Kingdom. It was bluntly informed that, "it would be unusual for the United Kingdom Government to undertake to make development loans to a country having responsible government." (This is on the assumption that Newfoundland would again have its own responsible government when such a request might be made.)

4, Position Arising Out of The Base Deals: This topic is the real sore-spot in relations between Newfoundland and Britain, covering the one main grievance toward administration by the Commission. In 1941 the British Government, with the "rubber-stamp" approval of the Newfoundland Commission, granted to the United States 99-year leases, on a rent-free basis, involving surrender of sovereignty over three large slices of Newfoundland territory, for construction of military bases. Much more will certainly be heard in the future about this much-criticized agreement, which was forced upon Newfoundland at a time when Britain, fighting alone, was not in any position to argue the ethics of such a deal.

The Dominions Office stated that it did not believe the United States Government would readily agree to any "substantial variation" in the terms of the deal; or to provide any requested quid pro quo for rights granted to it "freely and without consideration." However, Lord Addison in his written reply pointed out that, if Newfoundland chose a return of responsible government in the future, it would be open to that government to approach the United States direct with a view to re-negotiating some of the terms of the Leased Bases Agreement of 1941.

5. Financing and Control of Airports: This section could be read as "Financing and Control of GANDER Airport," Last year the Newfoundland Treasury was saddled with responsibility for meeting Gander's estimated annual operating deficit of $1 million by an agreement between the United Kingdom and Commission Governments. Since that time Britain has agreed to assume that portion of this deficit "which could not be attributed to the Newfoundland Government on account of the benefits accruing to Newfoundland from its (Gander's) operation." A mission of enquiry into Gander's operating costs has now returned with its report to the British Government. As a result, for the coming year, the United Kingdom has agreed to assume two-thirds of the estimated net operating deficit, amounting to $750,000: Newfoundland pays the balance, which is estimated to equal the actual revenue return from the Government's operation of the airport.

6. Trade and Tariffs: The delegation submitted several questions about Newfoundland's future trade relations with the United Kingdom, particularly in regard to increased U. K. market for iron-ore and fish exports. The Dominions Office stated that should Newfoundland return to responsible government, she would be in a position to negotiate direct with foreign governments, with the assistance of the British Government and trade commission set-up if necessary, on matters pertaining to favorable markets abroad for her exports.

Regarding iron ore exports, it was pointed out that a contract for 750,000 tons for 1947 was now under consideration. But a word of warning was issued here: "In view of the (Britain's) dollar shortage it is difficult . . . to consider a long-term contract."

Summing up the over-all picture of future trade between Newfoundland and the Mother Country, it was stated that the overriding factor is Britain's delicate financial position. Her acute dollar shortage is such that she cannot promise Newfoundland any long-term market in the United Kingdom for her expanding frozen fish exports.

Memorandum Disputed

Before leaving London, the delegation sent a memorandum to the Dominions Secretary outlining its reactions to the information given. Parts of this memorandum amounted to a strong criticism of the British-appointed Commission of Government and its superiors in the British Government. Other parts embodied counter-arguments to various decisions made by the Dominions Office. Convention Chairman F. Gordon Bradley, K.C. and delegation member William J. Keough, refused to sign this memorandum.

Lord Addison took strong exception to certain statements in the memorandum. His reply stated, among other points: "I do not regard it . . . as the function of this delegation to debate with me questions of policy of the Newfoundland Government in current administrative and other issues . . . In effect, the observations in your memorandum are criticisms of the conduct of the Commission of Government and the United Kingdom Government, and appear to me to be outside the purpose of the delegation."

Several points were raised in the delegation's memorandum.

1. In the past, whenever Newfoundland has not balanced its budget, the excess of expenditure over revenue has been about the same amount as that required to service the public debt.

2. Costly extensions of public and social services inaugurated by the Commission of Government are of such proportions that it is doubtful if they could be maintained in future normal years, if several million dollars annually must be raised to service the Island's debt.

3. The delegation thought that the balance of the interest-free loans should in future be devoted to reduction of the Island's sterling debt. Reduction of interest alone would result in a saving of $400,000.

4. The people of Newfoundland have yet to hear any evidence indicating that the way could not have been left open, under the Leased Bases Agreement, for reciprocal negotiations after the war, if the United States still desired to retain its foothold in the Island.

Canada Gave Back Rights

It is not forgotten here that Canada moved into the huge Gander base in Newfoundland before the Bases Deal of 1941 with the United States was made: But unlike the States, Canada surrendered complete control and all property rights in Gander to Newfoundland in April of 1946. The United States, however, is here to stay for another 93 years; so far that country has shown no inclination to re-negotiate any contentious clauses of the famous "destroyers-for-bases" deal of 1941.

The confused political picture in Newfoundland at the moment reduces itself to these essentials: The National Convention sent a delegation to London hoping that the British Government would at least write off part of Newfoundland's public debt. This the British Government refused to do. Further, Britain gave no indication that she was anxious to rid herself of the responsibility of governing Newfoundland through the Commission, as she has done for 14 years.

Reaction of the Convention delegates at home was expressed in its unexpected reversal of an earlier decision not to send any delegation to Washington.

The next move is the despatch of the delegation to Ottawa. This mission may hold the key that will unlock the door to a real solution of the problems of Newfoundland and Labrador.

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CORRESPONDENCE SOLICITED FROM CANADIAN MANUFACTURERS OF HARDWARE AND KINDRED LINES, WISHING TO PROMOTE OR EXTEND THE SALE OF THEIR PRODUCTS IN NEWFOUNDLAND.

Tea Drinkers Are Happy As Free Market Returns

With the arrival of the last shipment of Newfoundland's wartime "Victory" brand of tea from Halifax, the thousands of heavy tea-drinkers throughout the island no longer can complain of the situation which has bothered them since September 1943. The Commission of Government has washed its hands of its own excursion into the tea business.

Unlike Canada and other allied countries which rationed and exercised supervision over the distribution of limited wartime tea supplies, the Newfoundland Commission entered the tea supply picture not only as controller but as the sponsor of the solitary brand of tea which the housewife could purchase.

Lid Finally Lifted

Since September, 1943, the blending, packaging, importation and distribution of tea has been under rigid government control: no other brand except the Victory tea could be sold in Newfoundland until last month, when the Commission of Government removed the last restrictions on free importation of tea.

The Commission continued to ration tea purchases for months after the supply situation eased to the point where Canada and the United States could abandon tea rationing entirely. It was known that the Canadian firm which contracted with the Commission for the packaging of the entire Newfoundland tea allotment, had ample reserve stocks on hand for many months before the Commission belatedly announced the abandonment of rationing. It was felt throughout the island that the Government continued to prohibit the importation of other brands for several months after the end of rationing as a measure to secure disposal of the stocks held in Canada and St. John's.

Newfoundlanders consume more tea per head than any other North American country. Coffee has only recently become at all popular, and even now it remains largely a restaurant beverage.

When the initial shipment of Victory tea reached the Island from Canada in 1943 the price was 85c. lb. The present price of this brand is pegged at 74c. lb. Thus the wartime Victory tea holds the distinction of being the only food item in the country which is today selling at a lower price than four years ago.

First of other brands to arrive recently is selling in St. John's at about $1.20 lb. but shoppers claim one teaspoonful of the new brands produces a brew equal in strength to that of two teaspoonfuls of the Victory tea.

Allocations of the blends that went to make up the Victory tea were made by the Combined Food Board; Newfoundland's quota was received through Canada, though it was earmarked by the Board for Newfoundland consumption before shipments reached Canada.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

YORK TRADING net profits increased 252.4% to $84,103 in year ended Dec. 31, 1946, despite a jump of 580.1% in Dominion income and excess profits taxes. Earnings were equal to $3.18 per common share in 1946 and 90 cents a share in 1945.

Working capital dropped from $444,836 at Sept. 30, 1946, to $274,080 at Dec. 31, 1946.

The $12.50 par value preferred stock was retired during the year.

INCOME ACCOUNT

Years Ended Dec. 31:	1946	1945
Net earnings	‡	$100,733
Less: Depr.	‡	15,046
Partic. deb. pay't.	‡	37,312
Mtge. bd. int.	‡	7,307
Income tax◊	117,055	17,211
Net profit*	84,103	23,857
◊Incl. ref. EPT	......	239

‡Not available.
*Note—Co's. report includes ref. EPT in net profit.

Earnings per Share:		
Common: Earned	$3.18	$0.90

CONDENSED CONS. BALANCE SHEET

As at:	Dec. 31 1946	Sept. 30 1946
Cash	$3,300	$3,300
Accts., etc., rec.	318,112	352,644
Life ins., c.s.v.	......	8,250
Inventories	1,178,427	985,775
Total curr. assets	1,499,839	1,349,969
Prep. exp.§	5,151	11,086
Ref. EPT	10,666	10,600
Fixed assets*	265,898	268,977
Total assets	1,781,554	1,639,632
Bank advances	586,184	159,525
Accts., tax, etc., pay.	639,575	745,608
Total curr. liabs.	1,225,759	905,133
Funded debt	346,063	525,271
Capital stock	26,700	57,913
Earned surplus◊	183,032	143,215
*After depr. of	256,878	258,159
◊Incl. ref. EPT	10,666	10,600
§Incl. in curr. assets in co's. report.		
Working capital	274,080	444,836

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SUMMER CRUISES AROUND THE ISLAND AND NORTH TO LABRADOR ALSO OPERATED

Newfoundland Railway
St. John's, Newfoundland

Soil and Weather Chief Obstacles In Path of Newfoundland Agriculture

Surge of the sea is never far from the ears of those who till Newfoundland's stingy soil. Most of them are, in fact, fishermen; and their real interest lies in their tossing boats. Their tight little holdings along the hilly shoreline afford a supplementary occupation on a modest level. Agricultural methods are not advanced; productivity is low.

Bona fide farmers on fair-sized holdings can be found in Newfoundland, but the statistics show they do not loom large in the national picture. The Island's 125,000 acres under cultivation are occupied by 36,000 people. One in eight is a commercial farmer; the other seven are mainly fishermen-farmers.

This is one of many obstacles in the path of those who have fought hard in recent years to improve agriculture in Newfoundland.

Most of the limited public funds available in Newfoundland for resource development have been allocated to the promotion of fishing. This runs contrary to the trend in most countries of the world where agriculture ranks among the stablest of economies. But Newfoundland's $12.5 million agricultural industry can never be more than a handmaiden to other industries—and for good reasons.

The cool, moist climate limits farmers to production of hay and pasture crops and to the commoner vegetables such as potatoes, turnips, and cabbage.

Where arable land can be found, it is in small costly-to-clear patches. A five-acre farm is regarded as relatively large, though there are a few commercial farms on the island that run up to 50 acres. Government soil analysts say 700,000 acres could be tilled, but classify only 3% as first class, 30% as second class. Right at Newfoundland's back door — on the mainland of North America—rich acres are under easier cultivation.

Must Import Cattle Feed

With only one acre in field crops for every six persons on the island, it follows naturally that domestic supplies of virtually all agricultural products is far from adequate to meet local demand.

Natural pasture is hard to find. In any case, Newfoundland's small farms fetch better prices by producing vegetables for human consumption. This accounts for the importation of cattle feed. As a result, the number of cattle and swine declined sharply between 1911 and 1939 to a point where beef and dairy production is far below domestic need.

Sheep flocks, enlarged by one-quarter during the same period, are nearly adequate to meet home demand for mutton and lamb, while wool is carded, spun, and knitted into socks, mitts, and sweaters for domestic use. Poultry population increased one-fifth.

Absence of roads—one of the island's sore problems—has prevented some districts which could have marketable surpluses from going into commercial production. Vegetable production in areas that can be reached by rail is encouraged by a flat freight rate.

Removal of the distance factor through a flat rate is offset, however, by inadequate marketing methods. Lack of storage facilities and ill-advised planting has brought about dumping of goods and glutting of markets at certain times. Grading is poor, and there is some duplication of transportation. Something is being done now about this problem, but the situation remains serious.

In their uphill grind, island farmers get a helping hand from the Government. In recent years this has been more than a pat on the back.

The Government will clear land for $5 an acre, provided certain conditions are fulfilled. In so doing, it will spend $10,000 of public funds this year. As an alternative to government clearing, the farmer can avail himself of a $25 bonus in kind per acre.

Lime, which would normally sell at $12.50 a ton, is available to Newfoundland farmers at a subsidized price of $1.50 per ton, in loads of at least 20 tons, landed at the nearest shipping point. More than 1,200 tons were supplied in 1946.

The Government will also pay half the purchase price of purebred bulls and rams for breeding purposes—a factor responsible for increasing quality of Newfoundland stock.

Education in Farming

A demonstration farm is operated outside St. John's. Its $11,000 deficit for the 1946 fiscal year is not considered a large price to pay for the benefit derived by those near enough to take advantage of it. Unfortunately many are not.

An introductory course in agriculture has now been established at Memorial University

Gardens in fertilized soil in old fishing boats are not uncommon in Northern Newfoundland. It is just one indication of the continual battle for growth of the Island's few, but hardy, vegetable products and the men who tend them. Agriculture has hopes, however, and the Government is backing them up.

College. Students there receive credits to continue studies at Macdonald College, St. Anne de Bellevue, Quebec.

Agricultural equipment, fertilizer, and feeds can be imported into Newfoundland duty-free. This, coupled with the reduced rates on the railway, constitutes a real boon to the island farmer.

The most direct and co-ordinated aid given by Government to agriculture has been the various land settlement schemes. These began in 1934 with the placing of 10 families in a new community "Markland" outside St. John's. They were chosen not on their farming experience, but on need, and the original idea was to run the scheme on a communal basis. This broke down under pressure of individualism and the five settlements in existence by 1939 were divided among the settlers. Six new schemes were started. By 1942, the Government had spent $1.3 million to establish 11 land settlements containing 340 families.

Last year the Upper Humber development scheme was started. This envisions the settling of 300 ex-servicemen on full-time holdings. Government cost is estimated at $1.8 millions.

Co-operative buying and selling is a feature of the government land settlements. This is said to be the most economical system, providing difficulties of management can be overcome. It is still the custom to have pastures in common; outside the settlements stock forage for themselves over the countryside and gardens everywhere are fenced.

In the early days, settlers clustered into villages. This placed limitations upon the amount of land each settler could claim. Even where the original holding was fairly large, division among descendants has tended to reduce the amount of land attached to each household.

Because of terrain, farms are not continuous for any great distance. This prevents "over-the-fence" conversations which are so valuable in passing on news of improved agricultural techniques.

Methods are reasonably efficient on larger farms where fertilization with stable manure, peat, kelp, and chemicals is general. Land is well tilled, despite the fact that implements are seldom larger than can be drawn with one horse.

The Fishermen's Gardens

More primitive methods are followed in the "gardens" of the fishermen, lumbermen, and outpost workers. Where livestock are not kept in large numbers, the use of fish, especially caplin, as a fertilizer is general. Heavy damage from the purple-back cabbage worm in 1945 encouraged the extensive use of DDT last year.

Newfoundland farmers are now fervently hoping that the elements will be kind to them this year. Dry weather last June cut the hay crop 40%, though continued dry weather in July was ideal for haymaking.

Good progress was made last year in soil surveying. Government expenditure on this work has totalled to $43,500 since 1943, and it is estimated that another $10,000 will be spent during the current year.

Government experts found the land between Grand Falls and Bishop's Falls extremely stony when they surveyed it last year. Reconnaissance work was carried out in Peter's River Valley and along the roads to Botwood and Point Leamington. Detailed studies of the Upper Humber were completed, and others initiated in the Midland area where it was found that a fairly large area may be utilized. By September, the party had moved on to Robinsons for detailed work. Several thousand acres suitable for cultivation were found along the shore of Bay St. George, and reconnaissance was carried out in Hare Bay and Canada Bay.

TB inspections on cows were not as complete as government administrators had hoped. The trouble lies in the fact that inspection is not compulsory. Though the government pays two-thirds the assessed value of condemned animals, not everyone is willing to have his stock tested. Since 1939, the Government has spent a mere $7,000 on destroyed animals, and it's still an open question whether this is due to the health of Newfoundland stock or the incompleteness of inspection.

In a country where some gardens are planted in old fishboats filled with imported earth, domestic consumption of agricultural products could well stand to be greatly increased. But many Newfoundand people cannot afford such things as fresh meat and dairy products. Production cost of these is based largely on imported feed. Hence it follows that increased consumption of agricultural products is dependent upon prosperity in the fishing, forestry, and mining industries.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

BEAVER LUMBER CO. handled a record volume of business in year ended April 30, 1947, and net profits increased 166.6% to $668,310. Operations of subsidiary companies were profitable and all ended the year with only day-to-day trade accounts and balances of income taxes owing.

It is still difficult to buy to company specifications, President R. J. Gourley, states, with the result that stocks of merchandise do not represent a proper balance between the common and upper grades. Inventories were $498,000 higher at fiscal year end.

INCOME ACCOUNT

Years Ended Apr. 30:	1947	1946
Net earnings	$1,593,175	$1,206,887
Less: Depr.	114,852	106,212
Income tax	810,013	850,000
Net profit	668,310	250,675
Less: Pref. divd.	105,000	105,000
Cl. A divd.	19,592	......
Common divd.	156,738	156,738
Surplus for year	386,980	*11,063

*Deficit.

Earnings per Share† and Dividend Record:		
Pref.: Earned	$8.91	$3.34
Paid	0.70	...
Pref. (old): Paid	3.50	7.00
Cl. A: Earned	7.19	1.86
Paid	0.25	...
Common: Earned	3.09	0.43
Paid	0.50	...
Com. (old): Paid	0.50	1.00

†Based on present capitalization.

CONDENSED BALANCE SHEET

As at Apr. 30:	1947	1946
Cash & Dom. bds.	$749,798	$1,027,117
Mkt. secs.†	290,695	......
Accts. rec.	584,988	438,733
Deposits, etc.	20,027	27,632
Inventories	2,299,051	1,801,132
Total curr. assets	3,944,559	3,294,614
Invest. in subs.	1,343,015	1,365,265
Agree. & props.§	96,080	124,056
Misc. assets▲	300,000	37,860
Fixed assets*	725,920	623,302
Total assets	6,409,574	5,445,097
Total curr. liabs.	705,422	503,576
Reserves	600,000	316,500
Capital stock	3,106,750	3,106,750
Earned surplus▲	1,997,402	1,518,271
†Mkt. value	312,000	......
*After depr. of	1,357,461	1,288,804
▲Incl. ref. EPT	300,000	......
§Incl. in curr. assets in co's. report.		
Working capital	3,239,137	2,791,038

WABASSO COTTON CO. net profits for 1946, including subsidy from the Commodity Prices Stabilization Corp., were $357,728 (retained profit $341,350 in 1945). Price ceilings and continued operation of commodity stabilization subsidy agreement restricted 1946 operating profits, it is stated.

The plants are modern and efficiently operated and while the future cannot be foreseen the directors have, in their judgment, taken every precaution considered necessary to ensure continuity of operations, President C. R. Whitehead, states.

INCOME ACCOUNT

As at:	May 3 1947	Apr. 27 1946
Net earnings	$1,309,827	▲$1,330,801
Less: Depreciation	572,637	590,262
Bond interest	58,225	64,189
Res. for taxes♦	321,237	335,000
Net profit	357,728	341,350
Less: Dividends	279,612	279,612
Surplus for year	78,116	61,738
♦Incl. ref. EPT	......	18,869

▲Incl. prof. on sale of invest. and other assets of $11,559.

Times Interest Earned:		
Before deprec.	22.50	20.73
After deprec.	12.66	11.54
Earnings per Share and Dividend Record:		
Com.: Excl. ref. EPT	$5.12	$4.88
Incl. ref. EPT	5.12	5.15
Paid	4.00	4.00

CONDENSED BALANCE SHEET

Years Ended:	May 3 1947	Apr. 27 1946
Cash & Dom. bds.	$2,448,597	$2,464,160
Accts. rec.	573,540	704,517
Inventories	1,383,351	362,407
Total curr. assets	4,405,488	3,531,084
Invest. in subsids.	222,160	222,160
Other invest.	29,280	37,713
Misc. assets▲	185,501	185,476
Fixed assets*	2,693,074	2,498,455
Total assets	7,535,508	6,474,888
Bank loan	995,000	40,000
Accts., tax., etc., pay.	914,088	726,380
Serial bds. due	175,000	175,000
Total curr. liab.	2,084,088	941,380
Funded debt	1,000,000	1,175,000
Research, etc.	1,000,000	1,000,000
Capital stock	2,000,000	2,000,000
General res.	500,000	500,000
Surplus▲	951,415	858,508
*After depr. of	9,421,309	8,907,563
▲Incl. refund. EPT.	56,262	84,653
Working capital	2,321,400	2,589,704

MALLEN RED LAKE GOLD MINES has completed a magnetometer and geological survey on its property which was recently acquired under working option agreement. Preliminary diamond drilling is to start immediately. Drilling on the property of Malbar Goldfields, a subsidiary, is reported to have returned values in four holes. J. C. Honsberger, mining engineer, has recommended at least 5,000 ft. of deep drilling be carried out in this group.

ROCAMSA MINES unpatented claims were surveyed in 1946 and application filed for patents. No exploration was conducted. Current assets were $8,362 and liabilities $675 at Dec. 31.

A message to our Newfoundland friends from Marven's

Accountable to greatly increased demand and owing to shortage in certain raw materials, Marven's has not been able to give our customers . . . including our many friends in Newfoundland . . . anything approaching the type of service and quantity of supplies we would like to give.

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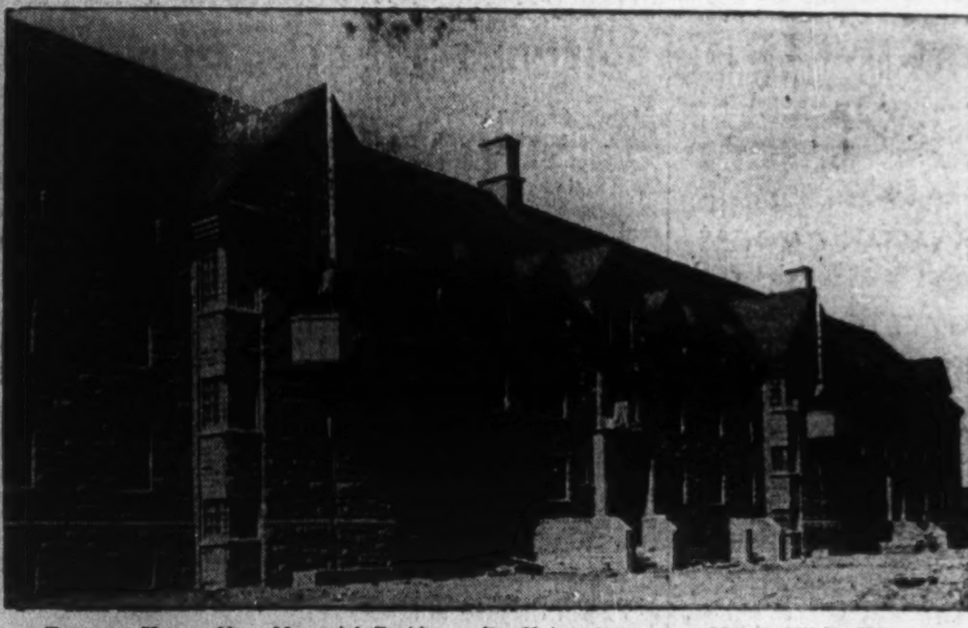

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Newfoundland at Political Crossroads

National Convention Provides Forum for Facts, Discussions

Since Sept. 14, 1946, 45 delegates, elected by the people of Newfoundland and Labrador in their first exercise of the franchise in 13 years, have been meeting in continuous sessions in St. John's to investigate the financial and economic position of their country. On the basis of their findings, now nearing completion after nine months of painstaking committee work, they will debate the future of their island and make recommendations to the Dominions Office of the United Kingdom Government as to alternative forms of future government which offer the best hopes of stable administration for tomorrow.

Most of the 45 delegates never previously sat in any legislative or council chamber to discuss or deal with problems of public interest. Some delegates previously had never made a public address. They came to the "Old World" capital of St. John's full of hope and confidence that a new deal might effect some happy balance to retrench the delicate economy of an island poor in natural resources.

Most delegates had no previous experience in the hard school of "politics." They did not like the 13-year-old outside administration by the Commission of Government, appointed by the British Dominions Office to be sole trustees and administrators of Britain's oldest colony in its hour of distress. The Commission has been responsible to no one but the British Government; is only morally obliged to respect the wishes of the people.

A few came primarily to find a platform to extol the merits, real or supposed, of future federation of Newfoundland with Canada as the one panacea to cure the economic ills of the country. Several delegates came to do battle for immediate return to full responsible government, favorite theme of the merchants and traders.

Here's What Islanders Want

What do Newfoundlanders desire most today?

Their wants may seem strange to Canadians and Americans who have always taken these thihgs for granted.

Above all else, Newfoundlanders want a standard of living comparable to that prevailing on the continent. They have never had this. They want this standard of living without any threat of recurring bankruptcy of the nation, as happened in the never-to-be-forgotten year of crisis, 1933.

They want a guaranteed chance to sell their predominant fish exports on the competitive markets of the world, at prices that will enable them to purchase and enjoy simple comforts most of them have never known.

Yet no self-government of the past has been able to do this.

They want their taxation structure overhauled so that it will place the tax burden on those shoulders best able to bear it. In other words, they seek a major adjustment between the present heavy indirect customs tax and an equitable, but hitherto lacking, direct taxation through corporate and personal income taxes.

Though they might seek relief from heavy tax burdens, at the same time the Newfoundlanders want more and better schools, more and better roads, improved health services, and efficient government administration of the railroad, post office, telegraphs and other public services.

The majority of the people on the island today, rightly or wrongly, confidently hope that outside friendly nations, realizing as they do the strategic importance of their island as the Gibraltar of North America, will grant tariff and other concessions so that Newfoundland can sell more, at better prices, in guaranteed markets, and with an economy not so sensitive to fluctuations in world trade conditions.

This is a large bill for 315,000 patriotic British subjects to present to their more prosperous neighbors. Their National Convention is striving to find ways and means to satisfy these basic wants.

Will Newfoundland: unite with Canada, continue as a colony with a Commission of Government, or seek a full return to Dominion status? Those are questions the island faces in a referendum this fall. Last year, the people elected 45 representatives to a "National Convention" which has been studying the island's economy, peering into the future in the light of the past, seeking a guidepost for the island's next step. How that convention has worked, some of the things it has done, are described here.

This heterogenous, thoroughly-representative, hitherto unprecedented body of delegates constitutes the National Convention—truly a unique experiment in government, an unconventional test of democracy in action. A new departure is the sampling and tabulating of public opinion in an island where four fifths of the population is scattered throughout 2,000 settlements along 6,000 miles of fjord-like coastline.

The Convention's Position

The purpose and functions of the National Convention are outlined in the Terms of Reference adopted by the British Government, as follows:

"It shall be the duty and function of the Convention to consider and discuss among themselves as elected representatives of the people of Newfoundland the changes that have taken place in the financial and economic situation of the island since 1934, and, bearing in mind the extent to which the high revenues of recent years have been due to wartime conditions, to examine the position of the country and to make recommendations to His Majesty's Government to be put before the people at a national referendum."

These important developments will have a bearing upon the outcome of the Convention's deliberations:

1. The high revenues of wartime years have shown no signs of any decline in the first two postwar years.
2. The Dominions Secretary in his replies to the Convention's delegation recently sent to London gave no indication that the British Government is anxious to terminate its present rule by Commission.
3. With early rejection of a motion to send a delegation to Washington to seek terms of a possible union with the United States, the choice of future forms of government narrowed to three: (i) continuation of the Commission in its present or a modified form; (ii) return to responsible self-government; and (iii) federal union with Canada.
4. Support for continuation of the Commission of Government has never been strong, and has declined since the Convention first assembled.
5. Economic reasons and the taking of a long-term view indicate that federal union with Canada has strong support. On the other hand, pride and sentiment of the people marshalled what is probably majority support for a quick return to responsible government. Many believe only an elected self-government could actually negotiate for any union with Canada.

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Nine Committees of Nfld. Convention Probed Every Phase of Island's Life

What were the functions of Newfoundland's National Convention? What was the moving force behind the 45 delegates, representative of all islanders, who met this year in St. John's?

The Convention faced three vital duties:

1. Fact-finding function. This constitutes the bulk of its work. Nine committees were set up to examine fully into the facts of all phases of Newfoundland's economic and financial position.
2. The conduct of international enquiries. This consisted of selecting and sending delegations to London and Ottawa to obtain certain information which the Convention deemed essential before drawing up its final recommendations.
3. The drawing up of recommendations on future forms of government, to be submitted to the Dominion Office for eventual decision by the electorate in a national referendum.

Lists Political Leaders

There are other aspects of the Convention's work which must be considered carefully to complete the over-all picture. It is fulfilling certain functions of which few people on the island are aware.

First, the National Convention was a real proving-ground for some of the country's political leaders of tomorrow.

Second, it provided an opportunity for various groupings of delegates adhering to various common political policies to establish some foundation for future political parties.

Third: The Convention proved to be a medium whereby the people of Newfoundland could make their personal or collective views known through contacts with the local delegates.

One further useful purpose which it has served became apparent recently when delegation talks with Britain and Canada were highlighted throughout the international press. The Convention gave outside nations some clear idea of national political sentiments in Newfoundland after a 13-year period of silence during which there was no agency for the expression of public opinion.

What Is The National Convention?

Many people explain what the Convention is by stating all the things it is NOT.

The National Convention is not a governing body; it has no powers to rule, to administer or to negotiate with anybody about anything. It is not a Royal Commission of enquiry; for it is not invested with any powers to demand information from any person, not even from officials of the Commission of Government whose 13-year period of office it has under review. Furthermore, it has no specified tenure of office. It is NOT a political body; but it IS a political gathering. Essentially, it has a strong political character, for it can be regarded as a political "gathering" of delegates assembled together to pursue a common purpose in the country's national interest.

The National Convention of Newfoundland basically is an assembly of 45 elected delegates, constituting a fact-finding board whose work is to examine thoroughly the present and past financial and economic position of the country, now temporarily reconverted to the status of a colony by the vote of its last free legislature. After establishing all the necessary facts, this body then will discuss and debate the merits of alternate forms of future government which suggest themselves as offering reasonable hopes of stable administration. Recommendations drawn up will be submitted to the Dominions Office in London through the agency of the Commission Government, to be placed before the electors in a national referendum. The results of this vote will then be a guide to the Dominions Office in drafting legislation to implement the wishes of the majority of the people, for adoption by the British House of Commons.

The Dominions Office is morally obligated to respect the wishes of the majority of voters next fall, though it is not specifically required by statute to do so.

Lacking the powers of a Royal Commission, the Convention must gather facts concerning the island's past and present economy as best it can through voluntary interrogation and canvass of opinion. So far few individuals, officials or groups from whom the committees have solicited information have refused to disclose fully the data required. However, on several occasions the various Convention Committees have been seriously handicapped in obtaining satisfactory data by the refusal of government officials to give full explanations.

Important Committee Work

The framework within which the Convention carried out its fact-finding work consists of nine Committees appointed during the inaugural week last September. Each of the 45 delegates was appointed a member of two committees; no delegate was permitted to be chairman of more than one committee. In addition to these nine fact-finding committees, the convention chairman named a special steering committee of six members who were entrusted with the Convention agenda, preparation of rules of procedure, and the handling of press releases.

The nine committees are as follows, listed in the order in which they tabled their final reports before the assembly:

- Education
- Transportation
- Local Industries
- Agriculture
- Forestry (2 reports)
- Fisheries (2 reports)
- Public Health and Welfare
- Mining
- Finance (only one of two sections presented)

A considerable volume of factual data, statistics, analyses and general information on every phase of Newfoundland and Labrador's economic and financial position was gathered by the nine committees during their nine months of continuous work. Today Newfoundland has at its disposal a composite survey and encyclopaedia of information, gathered and edited in orderly texts, surpassing any former governmental or educational surveys. Some reports lack the polish and symmetry one would expect to see in the reports of experts; others show clear evidence of recommendations contradicting the evidence upon which they are presumably based. Two or three reports, notably the Local Industries, Agriculture and Forestry reports, obviously lack essential data which could not be obtained within the limited means at the disposal of committees. All in all, the nine reports present a fairly complete picture of the economy of Newfoundland and Labrador at the present time.

Reports disclose that the future of the Fisheries Industry is doubtful, depending mainly upon the entrance of greater fish exports into the United States market. The outlook for both the mining and pulp and paper industries is bright. But local industries offer little hope of expansion as commodity manufacture is largely for the restricted home market. Ninety-five per cent of all Newfoundland exports consist of three basic products — fresh, frozen and salted fish and fish products; iron ore; and pulp and paper. Manufacture of food products, clothing, beverages, household commodities, building materials and metal products is almost entirely for consumption in the small home market. Oleomargarine is manufactured for export in normal years. Consequently, practically everything that the people of Newfoundland wear, eat (except fish and a few vegetables) and enjoy as simple home comforts must be imported from abroad. The Government has always relied heavily on customs duties on all these essential imports to break even.

CITY OF ST. CATHARINES, Ont., has sold $690,433.84 one to 20-year debentures at a price of $100.037 to Burns Bros. & Denton and Midland Securities Ltd., of Toronto. The first ten years maturities bear interest at 2%, the last ten years' at 2¼%. Proceeds are to finance school improvements, emergency housing, land for industrial sites, and local improvements.

This is the largest single debenture issue in the city's history. Bidding was probably the keenest in his experience, Finance Commissioner S. K. Watt said. Fifteen tenders, representing 22 firms, were received.

GOODYEAR TIRE & RUBBER CO. OF CANADA LTD. new headquarters of the Toronto branch sales office at 622 Fleet St., Toronto, opened officially this week. Recently acquired by Goodyear, the building is being remodelled to include both office and warehouse space.

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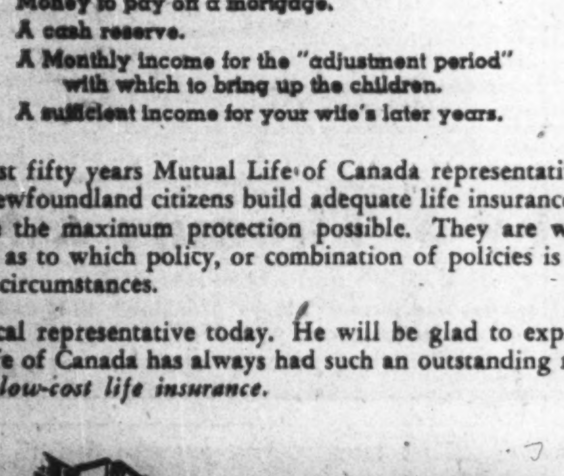

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13-year Political Gap Bridged on Island

Convention Proves Test Of Leaders

"Democracy at Work" might well be the title applied to Newfoundland's National Convention, now approaching the end of its long session. Many will guess at the outcome, but this is definite: that the convention has provided a forum for public opinion, seeking out the facts and then discussing them.

There is a strong body of opinion throughout Newfoundland, endorsed by a section of the daily press, which believes that the National Convention has accomplished very little so far. There is also a highly-vocal minority of opinion, which has its spokesmen within the delegate body itself, which believes that the Convention was a waste of time and money in the first place. These people believe it was unnecessary, pointing out that the 1939 statute of the United Kingdom Government establishing the Commission stipulated that the island was to revert to its former status of responsibe self-government just as soon as it was evident the island was again self-supporting. Today Newfoundland is self-supporting with accumulated revenue surpluses totalling about $32 millions.

The establishment of the Convention was not a negation of this principle. Rather it was a provisional measure to assist the people to bridge the broad gap that lies between a 13-year period of outside, wholly-dependent administration and a return to full self-government. The Dominions Office, as was disclosed in the House of Commons debate preceding passage of the National Convention Act in 1945, felt that there might be some other forms of future government which might offer a wiser choice for stable administration. If such other alternatives did exist, then, it was felt, the people should have a chance to explore such alternatives before any decision was reached. Hence the National Convention and the National Referendum to be held some time this year.

Indication Of Sentiment

The accomplishments of the Convention have provided some indications to the people at home and nations abroad of the present division of political sentiment. Uncle Sam now knows just what the embittered, overwhelming majority of Newfoundlanders think of the Leased Bases Agreement of 1941, a treaty between Britain and the United States which handed over complete sovereignty and jurisdiction over three large slices of Newfoundland territory for a period of 99 years, without any reference to the wishes of the people concerned.

Tabling of committee reports before the Convention has disclosed much information that might not otherwise have been obtained. Newfoundlanders now know about the large deficits of Gander Airport; they also know that the meagre Treasury of Newfoundland had been saddled with responsibility for these annual deficits. Furthermore, as the result of a motion of censure because of the Gander deficit setup, the Commission has arranged with the United Kingdom Treasury for the latter to assume a large share of that deficit ($750,000 of $1 million deficit).

The National Convention has served not only as a medium of expression, an agency of enquiry and a forum for the people, but also as an education. For it has provided an opportunity for the would-be political leaders of tomorrow to become initiated into political activity.

In appraising the value of the National Convention one must not lose sight of the fact that, although it is essentially a fact-finding body entrusted with advising others what to do, it has a strong political character.

Delegation To London, Ottawa

The controversial side of the Convention's work is centred upon its rather vague activities in international relations. This branch of its functions has resolved itself into two important decisions: to send delegations to both London and Ottawa to ascertain certain facts which will have a decisive bearing on the outcome of its deliberations, and the shaping of recommendations.

Eyes of all islanders will be on these men this month when, as delegates of the National Convention, they visit Ottawa to discuss with the Dominion Government various aspects of the relationship between the two countries. Left to right are Gordon F. Higgins, K.C., Rev. Lester L. Burry, J. R. Smallwood, F. Gordon Bradley, K.C., chairman of the convention, Hon. R. B. Job, Charles H. Ballam and T. G. W. Ashbourne.

A delegation of six members, accompanied by the chairman ex officio, went to London in the latter part of April to determine what plans the Dominions Office might have for the charting of future financial and economic relations between the two countries.

It was advised by Dominions Secretary Lord Addison, that: (1) Britain would no longer assume financial responsibility for the island's public debt and financial stability of the island should the electors vote for a return of responsible government; (2) Because of her present delicate dollar trading position, Britain was limited in the extent to which she could continue to aid Newfoundland and by imports of such products as iron ore and fish; (3) Britain was unwilling to relieve Newfoundland of all liability for her public debt, in other words, to cancel the obligation. This now stands at about $73,996,000. However, the United Kingdom would continue her guarantee of the debt as to interest and principal as long as the island continued with the present Commission of Government.

The delegation which goes to Ottawa this month will be the centre of a storm of controversy, no matter what the outcome of talks. This delegation will learn from Canadian Government "what fair and equitable basis may exist for federal union of Newfoundland and Canada." It will have no authority to negotiate terms or make any commitments. But no statutory or any other forms of restriction will prevent the delegation members, once they are in Ottawa, from exploring and discussing all aspects of the important confederation question.

Opposition to the motion for sending a delegation to Ottawa was strong, vocal and, at times, confused. After six hours of debate the motion was passed by a vote of 23 to 16, with many delegates confused to the point where they believed the motion to be "unconstitutional," or "beyond the powers of the Convention," expert advice notwithstanding. Some felt that such a delegation had no right to even "discuss" the terms of confederation.

A similar resolution for the sending of a delegation to Washington to learn if any basis existed for federal union of Newfoundland with the United States was defeated by a vote of 34 to 3. The earlier motion for the despatch of the fact-finding mission to London was passed unanimously.

At the moment the outcome of the Convention's work is still clouded in doubt. Much will hinge upon the result of the delegation talks at Ottawa with the Canadian Government.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

ANGLO-CANADIAN OIL CO. net profits were 84.14% higher at $237,075 in the year ended Jan. 31, 1947, mainly as a result of reduced depreciation, depletion and amortization charges. The company holds varying interests in Turner Valley, President H. R. Milner states. Recent increases totalling 85c a bbl. in price of Turner Valley crude oil, will in the coming year, offset to a great extent decreasing revenues caused by declining production, Mr. Milner adds.

Gas and oil indications were found on the Elk Point and Beaverhill Lake-West Viking reservations in 1946 and drilling is to be continued on both prospects this year. At Elk Point an extensive salt deposit was also discovered and plans are now under way to establish a salt industry. Anglo-Canadian and associates still retain acreage in the same general area of Leduc. Acreage at Fort Augustus was abandoned after drilling an unsuccessful well and acreage was also relinquished after abandoning Imperial-Anglo-Crossfield No. 1.

The company purchased 200,000 shares and acquired options on additional 200,000 shares of Transcontinental Resources in 1946.

INCOME ACCOUNT

Years Ended Jan. 31:	1947	1946
Gross oper. revenue	$384,717	$420,352
Add: Other income	89,308	45,155
Distribs. & divds.	22,945	24,346
Total net rev.	496,970	489,853
Less: Deprec.	36,600	46,842
Depl. & amort.	141,295	266,259
Taxes	80,000	48,000
Acct. w/o	2,000	......
Net profit	237,075	128,746
Less: Dividends	118,250	112,500
Surplus for year	118,825	16,246
Earned per Share	$0.10	$0.054
Paid	0.05	0.05

CONDENSED BALANCE SHEET

As at Jan. 31:	1947	1946
Cash & bonds	$1,624,784	$1,796,499
Mkt. secs.	422,671	162,671
Accts., etc., rec.	171,051	129,540
Mater. & supplies	86,354	83,314
Total curr. assets	2,304,860	2,172,024
Invest. in subsid.	30,000	30,000
Other invest	276,514	359,076
Def. & prep. chgs.	7,699	12,393
Development acct.:		
Leases & devel.	2,709,138	2,801,556
Less Amort. & depletion	2,186,364	2,087,617
Plant & equip.*	110,215	108,600
Total assets	3,252,062	3,396,032
Total curr. liab.	42,367	45,854
Prod. adv. repay.	410,853	510,141
Capital stock	2,093,650	2,093,650
Capital surplus†	190,205	208,819
Earned surplus	514,987	537,568
*After deprec. of	552,043	519,231
Working capital	2,262,493	2,126,170

†Arising from disposal of drilling organization.

NOVA SCOTIA LIGHT & POWER CO. 1946 net profit was up 95%. Falling off of tramway travel in Halifax is reflected in a decrease of approximately $300,000 in gross earnings, which is more than offset by a reduction in Dominion income taxes. Capital expenditures were restricted to necessary extensions in the electric transmission and distribution system, and especially in the continuance of the program of rural electrification, to the extent that materials were available. Over 3,000 new electric services were connected during the year. Negotiations were begun with the city of Halifax, looking to replacement of the present tram system with modern trolley coaches.

CONSOLIDATED INCOME ACCOUNT

Years Ended Dec. 31:	1946	1945
Gross earnings	$5,511,686	$5,815,655
Less: Oper. exps.	2,785,534	2,780,307
Taxes▲	1,013,552	1,412,031
Net earnings	1,712,600	1,623,317
Less: Deprec.	767,700	949,750
Bond interest	264,420	288,925
Other int., etc.	982	3,065
Bd. disc., etc., w/o	23,135	44,733
Net profit	656,363	336,844
Less: Pref. divds.	145,800	145,800
Com. divds.	207,138	198,507
Surplus for year	303,425	*7,463
▲Incl. ref. EPT	......	174,338
*Deficit.		
Times Bond Interest† Earned:		
Before deprec.	6.47	5.61
After deprec.	2.57	2.32
†After other interest.		
Earnings per Share and Dividend Record:		
Pref.: Excl. ref. EPT	$27.01	$13.28
Incl. ref. EPT	27.01	21.04
Paid	6.00	6.00
Com.: Excl. ref. EPT	14.79	5.53
Incl. ref. EPT	14.79	10.58
Paid	6.00	5.75

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1946	1945
Cash & Dom. bds.	$515,912	$495,726
Accts. rec.	396,190	395,772
Supplies, etc.	417,657	289,004
Total curr. assets	1,329,739	1,180,502
Unamort. disc., etc.	255,602	513,748
Misc. assets▲	1,471,213	911,385
Fixed assets	19,527,876	18,794,630
Total assets	22,584,432	21,400,306
Accts. & tax. pay.	826,423	888,844
Accr. bond int.	42,487	96,453
Other curr. liab.	498,505	480,647
Total curr. liab.	1,367,415	1,465,944
Funded debt	7,518,000	7,229,500
Deprec. res.	7,336,697	6,668,314
Other res.	552,626	558,211
Capital stock	4,091,756	4,091,756
Surplus▲	1,717,938	1,386,575
▲Incl. ref. EPT	762,833	761,653
Deficit work. capital	37,676	285,382

THRIFT STORES net profit increased 68.25% to $131,841 in year ended Mar. 29, 1947. Volume of sales and operating profits continued to show a steady increase.

The chain of retail food stores operated under the name "Thrift-Stop & Shop" now number 60, of which 55 are located in the metropolitan area of Montreal and five in Ottawa. At the present time, additional meat departments are being installed in those stores where volume of grocery, fruit and vegetable business is sufficiently large to warrant the expenditure involved, President R. H. Hommel, states.

All outstanding preferred shares were either redeemed or converted into ordinary shares in July, 1946.

CONSOLIDATED INCOME ACCOUNT

Years Ended:	Mar. 29 1947	Mar. 30 1946
Net earnings	$284,358	$234,741
Less: Deprec.	25,674	21,809
Bond int.	4,159	5,144
Inc. tax res.▲	125,220	129,430
Add: Invest sale	2,536	......
Net profit‡	131,841	78,358
Less: 1st pref. divd.	129	79,615
2nd pref. divd.	43,658	24,000
Surplus for year‡	88,054	†25,257
▲Incl. ref. EPT	......	14,000
†Deficit.		

‡Note: Co's. report includes ref. EPT in net profit and surplus for year.

	Mar. 29 1947	Mar. 30 1946
Times Bond Interest Earned:		
Before depr.	68.37	45.63
After depr.	62.20	41.39
Earnings per Share and Dividend Record:		
1st pref.:		
Excl. ref. EPT.	*	$13.59
Incl. ref. EPT.	*	16.02
Paid	0.40%	1.62½+12.18¾
2nd pref.: Paid	...	2.00
Ord.: Excl. ref. EPT	2.56	1.70
Incl. ref. EPT	2.56	2.05
Paid	0.25	....

*Redeemed July 1, 1946.

CONDENSED CONS. BALANCE SHEET

As at:	Mar. 29 1946	Mar. 30 1947
Cash & Dom. bonds	$106,715	$89,806
Accts. rec.	42,250	46,237
Inventories	637,726	472,246
Total curr. assets	786,691	608,289
Prep. exp.§	26,448	31,242
Refund. EPT	41,000	41,000
Fixed assets*	240,374	212,919
Goodwill	39,000	39,000
Total assets	1,133,513	932,450
Total curr. liab.	486,745	339,166
Funded debt	100,000	125,000
Capital stock	332,733	340,708
Capital surplus	17,201	18,796
Earned surplus▲	196,834	108,780
*After deprec. of	236,374	223,209
▲Incl. refund. EPT	41,000	41,000
§Incl. in curr. assets in co's report.		
Working capital	299,946	269,123

NORGOLD MINES advises that May 15 option installment on 100,000 shares at 10 cents has not been exercised and agreement with Lapa Cadillac Gold Mines (1937) has been terminated for default.

American Can Moves Office to New Quarters

New offices for the headquarters executives and staff of the American Can Co., Hamilton, Ont. have been opened in a commercial office section of the Royal Connaught Building, Gordon Mann, general manager, announced.

Two of the four floors of can company offices are now being occupied by executives and heads of the sales and manufacturing organizations, and their general staffs. The remaining two floors will be ready for occupancy by other departments soon.

The Central District sales organization and the Research Department will continue in the present temporary offices in the company's plant at the former Sawyer-Massey location, pending completion of the installation of a new elevator for the headquarters offices.

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Push Labrador Iron Exploration

Mark down the big and aggressive development program on the iron deposits of Labrador as probably the most important 1947 event on the calendar of the Newfoundland mining industry.

This year will be a big production year for Dosco iron mines at Bell Island, for copper-lead-zinc mining operations of Buchans Mining Co. and for St. Lawrence Corp. of Newfoundland, which is operating a new drier at Wilmington, Delaware.

But despite big plans of these companies and operators on the Newfoundland "mainland," the events scheduled for Newfoundland-Labrador appear most likely to make important mining history because of the already great indicated extent of the Labrador iron ore Resources.

Biggest Program Starts

Although the snow isn't off the ground yet in Labrador, Labrador Mining & Exploration Co., controlled by Hollinger Consolidated, already has as many men in the field as it had last summer. And nine big drills are being taken in to extend the known size of the great iron ore bodies still further.

During the summer, a big adit tunnel will be driven into the Ruth Lake No. 3 deposit for 500 ft. or more. Actual underground work will provide an even better idea of values present. The tunnel will be at a fairly shallow depth as the ore bodies do not extend much above the surrounding terrain. The greater part of work this year is expected to be in the area of the Ruth Lake deposits although others are known.

The Labrador and New Quebec deposits are only divided by 30 miles at their widest point of separation, so the welding of the whole into one great mining enterprise shouldn't be too difficult. It is estimated that there are 300

Nfld. Hopes Pinned on Field May Bring Railway and Power

million tons of high-grade hematite indicated in the Newfoundland-Labrador section of the area of deposits alone.

What Newfoundland Gets

The National Convention delegate body recently decided, after protracted discussion, that the Government of Newfoundland could expect to receive 40% of net profits as total revenue from corporate income tax and royalties combined. It was stated that the project was expected to give steady employment to no less than 1,250 persons, that the company had agreed to use Newfoundland labor wherever possible.

In conjunction with the Labrador M. & E. iron development, it is expected that the huge hydro-electric power development site at Grand Falls on the Hamilton River will be developed. A railroad is also proposed north from the Gulf of St. Lawrence to the area of iron deposits.

Success in developing iron ore resources in Newfoundland-Labrador has attracted other interests to the field and while no outstanding discoveries have been reported as yet, extensive work can be expected over a period of years.

Norancon Work

Norancon Exploration Co. — financed by Noranda Mines, Conwest Exploration Co., and Anglo-Huronian—flew over 100,000 miles in 1946 carrying out a large-scale reconnaissance in the area north of the Natakwakan River up to Nackvak fiord as well as in a large area south of the Labrador Mining & Exploration Co. concession.

Dome Exploration Co. also did considerable work in 1946 but it was stated in the annual report of Dome Mines that it was not thought that the economic possibilities of the section investigated warranted further exploration.

A total of over $400,000 was spent by Labrador M. & E., Norancon and Dome Exploration in 1946 but from the large program laid out by the first of these companies for 1947, it appears that expenditures this year may prove considerably larger.

3,000 Men Hold Jobs

More than 3,000 men secure employment in mining on the island of Newfoundland. Mining rates as one of the most stable industries.

With the world recovering from the influences of war, production of iron from the great Wabana iron mines may conceivably reach new high levels. No record was established in 1946 when production was just under 1.3 million tons. The United Kingdom took over half the output with the larger part of the balance being delivered to Sydney, Canada.

The Dominion Steel & Coal Corp. mines at Bell Island provided an average employment of 1,790 men in 1946 and the year's payroll reached a record figure in the neighborhood of $3.5 millions. No. 2 mine was reopened last June to supplement output from the Nos. 3, 4 and 6 mines which operated continuously last year.

Buchans Mining Co. paid out $1,640,000 in wages in 1946—a record total for the company. There were 390,000 tons of ore treated by the company. Output comprised 19,000 tons of copper concentrates, 41,000 tons of lead concentrates and 89,800 tons of zinc concentrates. Copper and lead concentrates went chiefly to the United States but the United Kingdom took bulk of the zinc concentrates.

New Chance at LaManche

The proposal of Buchans Mining Co. to reopen the LaManche mine and to bring it into production again offers the hope that another producer may be added to the Newfoundland "string." Buchans is planning extended exploration in Newfoundland generally.

St. Lawrence Corp. of Newfoundland is now operating two mines, Iron Springs and Grassy Gulch. Production in 1946 was just over 20,000 tons. Prospects for selling Newfoundland fluorspar will be considerably better using the new drier to bring down the moisture content of flotation concentrates, it is believed.

Dominion Steel & Coal Corp. usually derives large quantities of limestone from its quarries at Aguathuna, but because of the steel strike at Sydney, production in 1946 was only 266,150 tons. Dosco has had further labor troubles in the current year and this has not been conducive to a high level of productive activities at the Aguathuna deposits.

Smaller limestone operations have been carried on by Bowater Newfoundland Pulp and Paper Mills at Corner Brook, Newfoundland Lime Manufacturing Co. at Cobbs Arm, New World Island and by the Department of Natural Resources at O'Regan's Codroy.

May Get Asbestos Mine

Considerable exploration has been completed by Asbestos Corp., the big Canadian producer, on an asbestos property in the Lewis Brook area. While the terrain is rugged and access is difficult, Asbestos Corp. has prosecuted a considerable program of underground development.

No workable deposits of salt have yet been found in Newfoundland but sufficient encouragement has been secured to indicate that commercial deposits may be established. Deeper drilling is being undertaken in an effort to get better results.

To Survey Whole Island

The Geological Survey of Newfoundland in recent years has been proceeding with a program which calls for a survey of the entire island.

The Newfoundland Government has been active in providing the use of the diamond drill to prove or disprove mineral deposition in various parts of Newfoundland. Besides work in searching for salt, government diamond drills have been employed to investigate a possible new limestone quarry site for Dosco and on numerous other projects. Four diamond drill holes were completed at the Rambler property last year.

Preliminary drilling was also done at Lead Cove, Port au Port, to determine the extent of the lead showing in the area, but the occurrence proved shallow.

The Geological Survey has also been extremely active in Newfoundland-Labrador and considerable field work has been done to seek out further economic resources in this sector.

ARMISTICE GOLD MINES shaft has reached a depth of 950 ft. on way to objective of 1,250 ft. A minor station is to be cut at present level with major levels to be established at 1,100 and 1,250 ft. The shaft, from 840 to approximately its present depth, shows green carbonate with quartz as stringers and general silicification.

The Commission Of Government For Newfoundland

Members of the Newfoundland Commission of Government, charged with the responsibility of the government of the island under the arrangement with the United Kingdom, are:

His Excellency Sir Gordon Macdonald, K.C.M.G., Governor of the island and Chairman of the Commission of Government. (Assumed office in May of 1946.)

Hon. Sir Edward Emerson, Kt. K.C., Chief Justice and Private Secretary, A.D.C. to Governor.

Commissioner for Public Health and Welfare and Vice-chairman of the Commission; Post vacated by the recent death of Commissioner Sir John C. Puddester, Kt. L.L.D. Successor not yet appointed. (Late Sir John Puddester at time of his death was only original commissioner still in office.)

Hon. R. L. M. James, Commissioner of Finance. (Assumed office in November of 1946, succeeding Hon. Ira Wild, O.B.E.)

Hon. A. J. Walsh, K.C., Commissioner for Justice and Defense and Attorney-General.

Hon. Herman W. Quinton, Commissioner for Home Affairs and Education.

Hon. J. S. Neill, C.M.G., Commissioner for Public Utilities and Supply.

Hon. W. H. Flinn, C.M.G., O.B.E., Commissioner for Natural Resources.

W. J. Carew, C.B.E., Secretary of the Commission of Government and Secretary for Home Affairs.

Newfoundland's National Convention A Cross-section of Island's People

An accurate cross-section of Newfoundland's population is today studying the country's political future. The National Convention elected last year consists of 44 delegates (originally 45, but since reduced by the death of one), chosen from among every group in the country — representatives of labor and of industry, city, fishing village and country; and of every school of political thought existing on the island. Herewith are thumbnail biographies.

Following is the personnel of Newfoundland's National Convention, which is now studying the form of its future government:

F. Gordon Bradley, K.C., Bonavista, a lawyer since 1915, member of the Newfoundland Assembly for 12 years; member of the Monroe and Squires cabinets; elected National Convention chairman in Dec. 1946, succeeding the late Mr. Justice Fox.

T. G. W. Ashbourne, Twillingate, veteran of World War I, elected to the Assembly in 1924, is a justice of the peace and managing director of Ashbourne's Ltd.

Chas. Bailey, Trinity South, served in the Royal Navy in World War I, and in the Merchant Navy in World War II; fisherman and seaman, a strong champion of responsible government.

Chas. H. Ballam, Humber, veteran of World War I, and former president of Newfoundland Federation of Labor; a keen student of governmental science and economics, and active in labor movements.

William J. Banfield, Fortune Bay, former member of the Newfoundland constabulary; active advocate of cold storage plants. Elected to the National Convention by acclamation, he later suffered a leg injury, which confined him to hospital for sometime.

Rev. Lester Burry, Labrador, United Church clergyman, operates a broadcasting station; has travelled extensively through Labrador by dog team and boat.

A. B. Butt, St. John's West, Extern, spent 18 years in Newfoundland's civil service (education and works departments), then became a life underwriter; a close student of government and international affairs.

Major Peter Cashin, St. John's West, veteran of World War I; member of the Assembly, 1923-32; Minister of Customs and Finance in the Squires cabinet; associated with Cashin Import & Export Co. and other business concerns.

Edmund C. Cranford, Trinity Centre, operates a general business at New Harbour, Trinity Bay; also buys and exports raw furs; an active supporter of the fishing industry.

Chesley A. Crosbie, St. John's West, managing director of Crosbie & Co., and a director of several other concerns; closely identified with the fishing industry.

P. Wellington Crummey, Bay de Verda, former school teacher and inspector, now a merchant and justice of the peace in Western Bay; unopposed in Convention elections.

Wilfred Dawe, Bay Roberts, director of William Dawe & Sons, is a strong supporter of the birch industry; represented Newfoundland at the 1932 imperial conference in Ottawa.

Percy Figary, Burgeo, President of the Railway Clerks' Union, is employed by the Newfoundland Railway as a clerk at Port aux Basques.

Francis D. Fogwill, St. John's East Extern, closely identified with the trade union movement, has been attached to the electrical department of Newfoundland Drydock for many years.

Joseph Fowler, Port-de-Grave, a school teacher, and strong advocate of development of the island's natural resources and tourist facilities.

Pierce Fudge, Humber, served in the Royal Navy in World War I; president of the Newfoundland Laborers' Protective Union, which he was active in forming; a member of the Woods Labor Board, and a strong advocate of the return of responsible government.

Fred Goodridge, Ferryland, manager of the Tors Cove Trading Co. at Renews. An authority on fisheries, and active in community social affairs.

John Hannon, Harbour Main, former school teacher, later a telegrapher and accountant.

Michael F. Harrington, St. John's West, former civil servant in Newfoundland and the United States; now editor of the monthly magazine, "The Newfoundlander," and author of a book of poetry.

Edgar L. Hickman, St. John's City West, now 39, as an active businessman, prominently connected with E. Hickman & Co., Purity Factories Ltd., Gaden's Ltd. and other concerns.

Gordon F. Higgins, St. John's City, East; lawyer, president of the Society for the Protection of Animals; member of St. John's Housing Corporation, and of the Irish Benevolent Society.

Daniel Hillier, Burin West, a teacher for many years; served as a member of a committee negotiating for erection of a cold storage plant in Burin.

Malcolm L. Hollett, Grand Falls, veteran of World War I, and former magistrate and school teacher; injured while on a tour with the Convention's Mining Committee.

David J. Jackman, Bell Island, president of Wabana Miners' Union; business agent by profession, and active in the Mining Committee of the Convention, despite a recent severe illness.

Hon. Robert Brown Job, 73, St. John's City East, English-born, a past member of the Legislative Council and president of Colonial Cordage Co., vice-president of Royal Stores Ltd., chairman of the Board of Job Bros. & Co.

Colin G. Jones, Harbour Grace, former school teacher, and active in community affairs of his district.

Thomas Kennedy, Harbour Main, associated with a business conducted by his father, served the Convention as an auditor in its early stages; participated in later debates.

William J. Keough, St. George's, editor of the now defunct Labor Herald; more recently co-operative auditor for the West Coast Co-operative Association; active in industrial questions.

John J. MacCormick, a planter, residing at St. Joseph's, St. Mary's Bay; elected to the Convention by acclamation.

Kenneth M. MacDonald, Grand Falls, for many years a mechanical engineer with the Anglo-Newfoundland Development Co.; now retired, is keenly interested in local industries.

Michael J. McCarthy, 33, Port-au-Port; active in the co-operative movement, and manager of a co-op store at Lourdes.

Leo J. Miller, Placentia East, is chairman of the Town Council at Placentia, where he operates a sawmill and trucking concern.

Isaac Newell, White Bay, formerly a teacher, later co-operative worker with the Grenfell Association; a keen student of sociological and industrial problems.

Archibald Northcott, Lewisport, general merchant in that centre; deeply interested in the Island's fishing industry.

Albert E. Penney, Carbonear, justice of the peace, and retired businessman, was for many years identified with Saunders, Howell & Co. and the Public Service Electric Co.; was also president of a co-operative poultry movement.

Edmund P. Reddy, Burin East, a merchant at Marystown, Placentia Bay; member of Burin Cottage Hospital Board, and associated with the Board of Trade.

Edgar Roberts, St. Barbe's, a justice of the peace; also deals in merchandise at Woody Point, and successfully operates a chicken farm; for 20 years a member of the school board and secretary of his church.

Dennis J. Ryan, Placentia Bay, youngest (25) member of the Convention, served five years in the Royal Artillery; is associated with his father in a general

(Continued on page 37)

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Customer for Three Nations

Whether or not the political ties joining Newfoundland and Canada become stronger, there appears to be no weakening in the economic links. Newfoundland has been one of Canada's ten best customers since 1935 and Canada is third among countries which buy from Newfoundland. Last year out of estimated total imports of $60 odd millions, Canadian commodities accounted for $38 millions or about 60%. In Newfoundland's 1945-46 fiscal year exports to Canada totalled $8.6 millions out of an approximate total of $45 to $50 millions.

These figures emphasize Canada's stake in Newfoundland's economic health and well-being. One of the big questions asked about the country this year is: how long will the present high trade level continue? How long will Newfoundlanders be able to afford $38 millions for Canadian products? These questions can be answered briefly by stating that present import levels will remain only so long as Newfoundlanders get a good price for their fish, forest products and iron ore. Another answer, of course, is that in addition to getting a good price Newfoundland could also increase its exports.

This subject of exports is undoubtedly the key to understanding Newfoundland's economy. In the budget speech last month the Commissioner of Finance emphasized this point when he stated: "We must import practically all our requirements, and we must export our own products in order to pay for these imports. Our prosperity depends, therefore, very vitally on our exports, which is another way of saying that we are dependent on a state of prosperity in the countries which buy our products."

Newfoundland's exports mean far more than just selling off surplus production. The country's exports are analogous to the dime which the housewife pays for a loaf of bread—no dime, no bread.

This situation exists because of the country's inability to grow enough foodstuffs to meet the requirements of the population. A look at some of Newfoundland's imports from Canada illustrate this point. In 1945-46 the 12 commodities imported from Canada with the largest dollar value were:

Aviation gas & motor fuel	$ 3,686,474
Wheat flour	2,446,083
Bituminous Coal	2,421,526
Cigarettes	1,147,744
Tea	868,328
Beef, fresh and frozen	774,824
Animal and poultry feeds	673,333
Bologna sausage	654,147
Beef, pickled	589,344
Oats	527,213
Potatoes	483,769
Pork, pickled	464,769

Nfld. Buys from Canada, U. S. and U. K., Sells to Many Small Nations

How can Newfoundland improve its trade position? It depends on imports to live. To increase exports, it must: diversify production, increase dollar value of exports, increase food production and seek more stable export markets. A staff writer of The Financial Post here analyzes the Island's trading, now dependent on exports of fisheries, forest and mine products.

Of the 12 items, all but three represented foodstuffs and two items, gasoline and coal, are necessities.

Thus, it is apparent that Newfoundland's export dollar is vital to the country's life, let alone prosperity. Unfortunately there are few indications that the Island will become more self-sufficient, at least in the near future. Agricultural areas are extremely limited and there is a narrow range of other natural resources.

This means that the country's greatest effort at present must be towards increasing exports. Here again, however, Newfoundland, by itself can only go so far. One limitation is imposed by the fact that it only has three main commodities to sell, i.e. fish, pulp and paper products, and iron ore. This is shown in the following list of exports by classification for 1944-45:

Fisheries	$ 21,869,343
Forests	3,824,445
Mines	7,024,075
Agriculture	51,371
Local miscellaneous	482,273
Local manufactures	13,162,978
	$ 46,414,485

It should be noted, however, that the $13.1 millions of manufactures includes $12.6 millions for newsprint alone which is a secondary product of the forests.

Three Big Customers

With few products to sell, Newfoundland's markets are necessarily restricted. Its two best customers are United States and United Kingdom with Canada third; 70% or more of all Newfoundland's exports go to these three countries. Other countries receiving Newfoundland exports are Portugal, Spain, Mexico, Jamaica, Greece, Porto Rico, Argentine, and Italy.

Since the Island has a limited market for its products there is always the danger of saturation. For example, cod fillets was one item which Newfoundland fishermen hoped to export in considerable quantities to United States after the war. This year, however, U. S. stocks of fillets were large with the result that the price declined from around 23c. lb. to 15c.

Another fact with respect to Newfoundland's export market is that the standard of living and per capita income of persons living in these countries is in many cases lower than that of Newfoundlanders. This means that Newfoundland must depend to some extent on low-cost products for part of its export dollar. On the other hand the country must import from countries like Canada and United States with high standards of living.

What all this means to Newfoundland can be illustrated by what is happening to the sale of cod fillets. Last year the country produced approximately 30 million pounds of cod fillets. At a price of 23c. a pound this production represents roughly $7 millions. This figure is approximately 10% to 11% of Newfoundland's total **imports** for last year. This year, as mentioned above, the United States market is filled, which will likely mean that the 30 million pounds of fillets will be sold as salt or cured codfish instead. This type of cod sells for around 10 to 12c. a pound or the 30 million pounds for $3 millions, which is only 5% of last year's total imports.

Have Tariff Problems

Besides the limited number of commodities it sells and its restricted markets Newfoundland also faces another difficulty in its attempts to increase its export trade. This is the problem of tariffs and it is largely due to the size of the country. From the examination of its import export position thus far, it is evident that Newfoundland is not in a strong bargaining position. It has a small number of exports and is forced to import; it therefore has few weapons to counter a high tariff wall.

While the task of increasing or even maintaining the present level of export trade is not easy, Newfoundland can and likely will adopt the alternative—increase the dollar value of its exports.

For the fishing industry this would mean increasing the output per man through mechanization and probably centralization of the industry. Newsprint, a manufactured product from the country's forests, points the way which Newfoundland will likely move. A further broadening of the country's pulp and paper industry to include kraft and fine papers would still further increase the dollar value of exports. Whether Newfoundland's iron ore will ever be processed in the country is problematical since smelting depends largely on economical fuel supplies.

Unless the Island's exports are maintained, if not increased Canada stands to lose an important export market. Aside from Newfoundland's export position Canada may in any case lose part of this market to United States and United Kingdom. It is conceivable that Canadian exports to Newfoundland may drop from the present $38 to $40 millions to around $20 millions. Should Newfoundland join with Canada, however, it is possible that it could absorb around $50 millions of Canadian goods.

Long Trade History

Trading relations between Canadian and Newfoundland firms have been built up over a lengthy period. Lying off Canada's Atlantic doorstep it is perhaps natural that Newfoundland should have similar buying habits and trading methods. In addition there are excellent rail, steamship and air services available. Financial transactions are simplified by the fact that there is a common currency and the same banks operate in both countries.

Just as important, however, is the presence in Newfoundland of Canada's trade commissioner, J. C. Britton. Mr. Britton has been in the country since 1945. For the past year and a half he has had the job of explaining to Newfoundland merchants and businessmen Canada's trade policy, export quotas, etc. In addition he has been called on to soothe ruffled feelings when Canadian goods were slow in coming or costly. One of Newfoundlanders complaints last year was the price of wheat flour. Newfoundland formerly could buy flour at the same price as United Kingdom but last year was put on the list with foreign buyers.

With this background of long-standing trade relations, it is likely that Newfoundland-Canadian trade will remain at present levels for the next year or two, at least. Any change in Newfoundland's political set-up such as federation with Canada, would however, change the picture considerably. Beyond the immediate future, Newfoundland's trade depends largely on how well the country is able to diversify its production, increase the dollar value of its exports, increase production of foodstuffs and stabilize its export markets.

Newfoundland Income 80% Taxes—Customs

Customs Duties Contribute 54% to Revenues With Tax Income 29%, Reversing Relationship of Two Factors in Canada

About 80% of Newfoundland's total revenues come from customs duties and direct taxation, the latter including mainly personal income taxes, corporation, and excess profits taxes and succession duties. Of the total customs contributed about 54%, the income from direct taxes being 29% of the whole.

The proportion just about reverses that in Canada where in the fiscal year ended March 31st last, customs duties were estimated to be about eight percent of total revenues with income taxes contributing about 48%.

The situation indicated in Newfoundland's 1946-47 budget is fairly typical of previous years. Income taxes have never been popular with the Islanders while the customs tariff over a period of years has come to be regarded as the main single source of revenue.

In the last budget brought down at the beginning of May, total revenues were estimated at $37.2 millions exceeding by $3.8 millions the record established in 1945-46.

Of the $37 millions, total customs contributed $20.2 millions and the tax assessor $10.7 millions. The totals in Canada are estimated at $237 millions and $1,436 millions respectively.

Factors contributing to the increased customs revenue included the release of a greater supply of consumer goods than expected, higher prices following the removal of price controls in Canada and the United States, a large volume of mail order business in which duties are collected on retail prices and the fact that the buying power of the people remained at a high level.

Tax revenue exceeded that of the previous year by almost $600,000 and was a record for the department. It reflected a continuation of the prosperity of the previous year, which Hon. R. James, commissioner of finance and customs in his budget speech stated formed the basis of most of the assessments payable in 1946-47. He added:

"Collection has continued to increase in efficiency and the year's total includes a considerable sum derived from fines. Of the total of $10.7 millions, $2.7 millions was derived from income tax, $4,841 millions from corporation tax while excess profits tax contributed $2.3 millions, non-resident tax $596,000 and death duties $193,000.

Newfoundland gives a personal income tax exemption of $1,000 to single persons, $2,000 to married. There is an exemption of $300 for each dependent child under 20 or if an invalid. There is a normal tax of 6% levied on all income over the exemptions up to $6,000 and 12% on all income over $6,000. Then there is a supertax on incomes over $6,000 ranging from 2% on incomes between $6,000 and $8,000, up to 50% on incomes over $100,000.

On top of this there is a surtax of 50% of the normal tax and surtax.

But while Canada reduced her income tax rates in her last budget Newfoundland made no change but earlier in the year increased the surtax on high incomes.

Senior Officials In Nfld. Gov't

Government and other officials of Newfoundland's major activities in 1947 are:

W. M. Marshall, Secretary for Finance.

H. G. Puddester, K.C., Acting Secretary for Justice.

J. G. Howell, Secretary for Customs, Chairman of Board of Customs and Chief Immigration Officer.

L. Crummey, Secretary for Public Health and Welfare.

Raymond Manning, C.B.E., Secretary for Public Works.

W. S. Roddis, Secretary for Posts and Telegraphs.

K. J. Carter, Secretary for Natural Resources.

G. A. Frecker, C.B.E., Secretary for Education.

M. J. Ryan, Acting Secretary for Supply.

G. W. D. Allen, Assessor of Taxes.

Claude Howse, Government Geologist.

H. A. L. Pattison, Director of Civil Aviation.

J. A. Winter, C.M.G., K.C., Chief Clerk and Registrar, Supreme Court.

S. H. Parsons, Labor Relations Officer.

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Gander Airport 'Crossroads of World'

180,000 Air Travellers Will Stop There This Year

600 Planes Monthly, Representing Five Nations, Use Big Newfoundland Base—New York to U. K. Flight Shortened by 900 Miles

During the past year Newfoundland's famous Gander International airport has figured prominently in the news, both of the island and abroad. In September of 1946, conversion of the world's largest commercial airport from wartime to peacetime operation was completed. For the first time the public of two continents learned of the strategic importance and the magnitude of operations the year round, when the cloak of wartime secrecy was removed.

Today all eight international airline companies of five European and North American nations offering transatlantic air service, use the Gander terminal as a regular or alternative stop-over base for their scheduled transatlantic flights. It is estimated about 180,000 transatlantic air passengers will stop this year for a few hours or a few days (during inclement weather) at Gander, seemingly isolated within the dense bushlands of northeastern Newfoundland. For most of these passengers it will be their only glimpse of rocky, wooded Newfoundland, an island often referred to as the Atlantic Guardian of North America.

6,300-ft. Runway

These passengers will see the world's largest hard-surfaced runway—6,300 feet in length and 1,200 feet wide, the main No. 3 runway. In the main terminal lobby the tongues of about ten old-world languages can be heard spoken on the same day; over the Public Address System—which can be operated on the push of a button from any one of the eight airlines booths—instructions to passengers and flight departures are announced simply and curtly in English, French, Dutch or Spanish.

When the passengers first enter the huge airways terminal building—a converted RCAF hangar—they will find themselves inside the largest airport waiting room on the continent, 600 feet long, with a bright linoleum blanket covering the entire floor and with modern armchairs, chesterfields, chrome-plated tables and counters on all sides.

On one side there is a long, continuous counter divided into eight compartment booths, one for each of the eight operating airlines. Above fluorescent lights are panels bearing the company names in aluminum letters: Trans-Canada Airlines, Trans-World Airlines, British Overseas Airlines Corporation, American Overseas Airlines, Pan American Airways, Scandinavian Airlines System, KLM Royal Dutch Airlines and Air France.

This is Gander today, proudly nicknamed "Crossroads of the World" by Newfoundland officials, publicity-conscious for the first time in the history of their island.

Saves 900 Miles

Why has Gander assumed such importance as an international airport? There are several reasons.

A stop-over at Gander for refuelling cuts about 900 airline miles from the transatlantic journey between New York and the United Kindom. The reduction in fuel load permits large aircraft to carry heavier freight and passenger pay loads.

Gander's location makes it the most eastward land point attached to the North American continent suitable for handling large aircraft; it is situated on a broad, flat plateau only 20 miles from the Atlantic coast of Newfoundland. The shortest direct air route between the Maritime provinces of Canada and the New England States and the British Isles crosses the Island of Newfoundland. Moreover, the shortest water distance between the North American and European continents lies between Cape Bonavista on Newfoundland's east coast and Southern Ireland.

Gander's strategic importance as an air base was recognized as far back as 1938 when it began to replace the nearby Botwood flying-boat base as the ideal choice for the eastern terminal of the expanding North Atlantic transoceanic air-highway.

In 1935 an air conference held at Ottawa decided that one British and one United States company, Imperial Airways and Pan American, should conduct experimental flights with large flying boats, as a preliminary to establishment of regular transatlantic commercial air service. The following year, Botwood, in Newfoundland, was selected by the British Air Ministry officials as the suitable base for accommodating the few flying boats then used exclusively for transatlantic flights.

First Survey in 1936

In June, 1936, an engineering-survey party of Newfoundland government officials and workers surveyed the plateau that soon became known as Gander Airport. Originally Gander was selected as a landplane base; as transatlantic flights in those days were done with flying boats exclusively, the land-base at Gander was of minor importance.

Development and expansion of facilities at Botwood went ahead with top priority until the year 1938, when the huge air re-armament program of Britain and European powers first emphasized the development of long-range, land-based military aircraft. If bombing aircraft could make one-thousand and two-thousand mile flights with very heavy bomb loads, then passenger aircraft could make two-thousand mile transatlantic flights with heavy passenger and freight loads.

At the same time as Botwood grew, work went ahead slowly but steadily at the Gander location. Construction was carried on as a joint project of the Newfoundland Commission of Government and the United Kingdom Government. The initial construction stage was completed early in 1939, a few months before the outbreak of war. Flying-boat activities by Britain's Imperial Airways and the United States Pan-American Airways continued at Botwood, including the novel experiment with the "Pick-a-back" aircraft. But soon Botwood was to lose its significance.

During the winter of 1939-40 several RCAF land craft made experimental landings and take-offs at Gander to test the feasibility of operating planes with wheels at an airport where snow conditions were severe. The first military land aircraft to arrive at Gander were two Hudson light bombers, on Feb. 10, 1940. Three months later the first detachment of RCAF ground and communications personnel arrived at Gander, now in the midst of a wartime expansion. A year-round base was established for operation of anti-submarine patrols over the western North Atlantic.

Ferry Command Launched

Late in 1940 the first formation of American-made landtype bomber aircraft of World War II to fly the Atlantic under their own power, took off from Gander and reached their destinations at British military airfields the following morning.

These pioneering events in transatlantic air services marked the establishment of ATFERO by the British Air Ministry—the well-known "Atlantic Ferry Command" of the RAF. By the end of 1941 the RCAF took over full control of Gander operations from the Newfoundland Government. The RAF continued its ferry operations on an ever-increasing scale as a separate unit. When the United States entered the war, American aircraft and personnel shared in the use of Gander with their RAF and RCAF cousins.

Meanwhile several thousand Newfoundland skilled and unskilled workers of all groups and ages obtained good-paying jobs under employment by the Canadian construction firms which were quickly making Gander the world's largest military airport. Across the Strait of Belle Isle the Canadian Government was also building an alternative base, soon to be known as Goose Bay Airport, in Labrador.

With the cessation of hostilities in 1945 the Canadian Government handed back full control and operation of Gander to the Newfoundland Government, in accordance with an agreement of 1940. Commencing in October, 1945, three American airlines—Pan-American, American Overseas Airlines and Trans-World Airline—carried out preliminary test flights for their forthcoming inauguration of regular transatlantic services.

Quickly Reconverted

To bring the story up to the moment, when the Newfoundland Commission of Government resumed full control in 1946, it immediately embarked upon an ambitious and expensive program of reconverting Gander facilities to peacetime commercial purposes. Today Gander airport boasts its own community hospital (the Banting Memorial Hospital), theatre, Skyways Hotel for airline passengers and tourists, large public dining hall, gymnasium, bars for passengers and staff, stores and other recreational buildings. The British Government still maintains a meteorological station with full staff and the latest equipment. The operating airlines maintain their own, or joint radio and communications stations.

Last winter Pan American World Airways pioneered in conducting successful tests at Gander of the wartime-perfected GCA (Ground Control Approach) Radar system for landing aircraft under unfavorable weather conditions, and ceilings as low as 200 feet. All the major transatlantic airlines today are using this radar system for bad weather landings. To date over 300 clippers of Pan American have been landed by the mobile GCA unit.

Installation of similar units by the British Air Ministry at the London Airport and approval by the Civil Aeronautics Authority for units at New York's La Guardia field and other Eastern airports quickly followed the successful demonstrations at Gander. Use of this and other systems will mean elimination soon of most delays and schedule tieups due to bad weather, main complaint of air passengers today.

U. K. Shares Deficit

At present Gander is operated by the Civil Aviation branch of the Newfoundland Government, with the Commission sharing with the United Kingdom Government responsibility for the annual operating deficit (estimated for this year at $1 million). Several delegates to the National Convention recently contended that the deficit should be assumed by the eight "outside" operating airlines which use Gander, since its operation is for their sole benefit. Major item contributing to the heavy deficit is cost of snow removal, estimated at between $250,000 and $300,000.

As airports are judged, Gander represents no small financial investment. Three governments and a military branch of one of those governments, to date have spent about $32 millions in the construction, improvement and conversion of Gander from wartime to peacetime service. This total is divided as follows:

Nfld. Commis. of Government	$ 660,000
U. K. Gov. (up to 1941)	3,330,000
Canadian Gov. (1941-46)	25,000,000
RAF (Ferry Com.)	3,000,000
TOTAL:	$31,990,000

Over 1,100 persons received year-round employment at Gander airport, most of them native Newfoundlanders. All eight operating airlines maintain their own full staffs throughout the year for servicing aircraft and handling passenger accommodations.

When in April, 1946, the Canadian Government restored full control of Gander to the Newfoundland Government, ownership of all hangars, former military barracks, repair and service buildings, runways and control equipment was transferred, for $1 million. Recently the British Government agreed to assume "those deficits which may not be attributed to Newfoundland because of benefits (revenues) accruing to Newfoundland from the operation 'of Gander airport.'"

Enquiries by the National Convention's Transportation Committee have brought an important factor to light: The British Government considered that it was essential to make some early arrangements with the Newfoundland Commission for retention of full control of Gander so that the Mother Country would not be unduly handicapped in her rather belated attempts to capture a fair share of transatlantic air traffic; the United States was in a position to operate commercial services sooner and on a much larger scale.

600 Planes Monthly

Starting in June, about 600 planes a month will use Gander, with less than this figure during the winter months. Tourists to Newfoundland from Canada can leave Montreal's Dorval airport at eight a.m. and arrive at Gander airport before four p.m. after stops at Moncton (southern terminal of the Newfoundland domestic service) and North Sydney, N.S. The same aircraft then hops off from Gander for Torbay, just outside St. John's, the capital—a flight of 50 minutes.

There are, as yet, no roads leading away from Gander to connect with industrial centres or tourist communities in other parts of the Island. Rail connections can be made for trips east or west, on the main transinsular line.

In transatlantic passenger service Canada's own TCA, while progressing steadily, still lags behind most of the other operating airlines, with four flights weekly at the moment, in both directions. Three American airlines this summer will operate several transatlantic flights daily in each direction, most of them stopping at Gander.

Whether the airline passenger is travelling from Memphis to Amsterdam, or from Calgary to Berlin, the chances are he will stop off at Gander airport for refreshments, or a night's sleep, or long enough to attend a movie and marvel at the size of the airport. He will probably agree that Gander is truly "the Crossroads of the World airlines."

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Atlantic Yields Livelihood to Many

Snatching $34.5 millions from a blustery, generous Father Neptune provided a livelihood for one out of every three workers in Newfoundland last year. In this way fishing contributes a larger slice to the country's production than any other industry; it also is the pursuit which fits most closely into the historical and social fabric of the Island.

For nearly three centuries it was virtually the only industry of Newfoundland. Temporarily, during the '30's, it yielded first place to pulp and paper in the value of output, though retaining its position in the number of persons employed. Today, the bobbing fishboat is again the biggest thing on the island's economic horizon—taken from any standpoint, value of total production, value of exports, or number of persons involved.

Some of the Island's womenfolk are used to sending their men off for weeks at a time. These are the men in the bigger boats who go out, often nine months out of the year, after the steady returns from the deep sea banks.

More numerous are the Inshore fishermen. Their dories and small motorboats are to be found almost everywhere along the coastline, venturing out as far as seaworthiness of their craft, the contour of the coastline, and the necessity of returning nightly to shore will permit.

A third type is the Labrador fishermen. There are three classes of these: the liviers, who live year-round on the Labrador, the stationers, who come to the Labrador each season as passengers on the coastal steamers or in schooners and return to Newfoundland in the autumn, and the floaters who come from Newfoundland as members of the crews of fishing vessels and operate with the vessel throughout the season.

A much smaller number of men venture forth after seal and whale.

Important Export Trade

The Newfoundland fisherman is working almost exclusively for an export market. Out of the $34.5 millions production in 1946, less than $1 million was consumed at home. This means that much of the financial security of Newfoundland's population is linked in normal times to the vagaries of world trade. During the war, under the Combined Food Board, there was a market and a good price waiting for every fish which Newfoundlanders could pull from the sea. A year ago the Board was dissolved, but its functions were taken over by a newly formed International Emergency Food Board with a wider membership of countries. Meanwhile, Newfoundland authorities have been busy on their plans to meet postwar conditions.

Cod has been king of the Newfoundland fisheries. It accounts for more than two thirds of output, both in production and export. Value of 1946 cod exports were $22.7 millions, of which $17.3 millions were salted and $5.4 were fresh frozen.

Hence, salted codfish alone accounts for half of the island's fish output. Dry fishery had received tremendous impetus during the war. To offset heavy dependence upon it, the Government has been encouraging both diversification and greater concentration on the production of fresh-frozen fish.

Change in Trend Seen

A trend-toward greater diversification is now under way. It is reflected in the following table showing export values of certain Newoundland fish, other than cod, for the years 1945 and 1946.

Type of Fish	1945	1946
Breams	$12,821	$ 26,574
Flounders	13,347	28,156
Haddock	65,658	301,443
Herring	2,806,803	4,494,852
Lobsters	508,765	956,754
Mackerel	11,076	78,318
Salmon	516,317	890,859
Smelts	24,552	40,158
Sea Trout	7,551	19,276

Cod Provided Two Thirds Of $34.5 Millions '46 Total

The increases look phenomenal; but they are to be viewed in the light of mounting value of the fisheries output generally, from $21 million during the 1944-45 season to $34.5 million last year. This is partially due to increased prices.

The big jump in the value of herring output is the result of large UNRRA contracts last year, but Newfoundlanders are interested in holding markets for this versatile fish, particularly in the higher-priced North American field.

Chief hope of Newfoundland fisheries lies in sending fresh-frozen products to the United States. Early in 1944, the Government launched a program to encourage the change-over from traditional methods of drying. Included in it was 3½% government money for quick-freezing facilities, improvement of local roads to facilitate collection services for shore fisheries, and possibly government operation of refrigeration ships to transport the product to U. S. markets.

Inshore fishery is unique in that the catch is almost 100% cod, which is less desirable for the fresh-fish trade than haddock and certain other species. Frequent attention has been drawn to the haddock banks lying off the south and east coasts. One research expert thought these were potentially as important to Newfoundland as the present cod fisheries.

Another field of government activity is inspection of fish products, both dry and frozen. For the past three years, the total production of salted codfish, except that going to the United States and Canada, has been inspected. This branch of the work is regarded as vital, since an inferior grade of cod can be brought about in many ways through carelessness in handling the fish when it is being dried. The Government now employs 48 full-time inspectors.

Other Sea Products

Cod livers provide the main source of Newfoundland's $2.5 million production of fish oils. One fifth to one quarter of the oil from cod is refined for medicinal purposes by the application of steam direct to the livers; the rest, which is obtained by allowing the livers to decompose, is used in tanning leather, making soap, tempering steel, and manufacturing of oiled cloth.

Sealing takes place on the ice-floes to the northeast of Newfoundland in March and the first part of April. Since the hunt doesn't coincide with the fishing season, Newfoundland fishermen regard their earnings from this source as pure gain. They sail in steamers of about 300 to 500 tons, especially built to enable them to crash through the ice floes and outfitted in normal times for $25,000. Two products resulting from the hunt are seal skins ($469,000 in 1946) and seal oil.

Whaling, long a sporadic enterprise, contributed nothing to the national income during some years and over a half million in other years. Between 1901 and 1940, exports averaged $150,000, though the trend is upwards now.

Lobster fishing, $956,754 industry last year, is usually carried on as a sideline to some other occupation, and fits well into small-scale agriculture. Fisheries Board is now taking steps against depletion. In this they are aided by the fact that the live lobster trade, which demands large ones, is increasing at the expense of the canned trade.

Squid was a $136,507 export item last year. It is considered a delicacy by the Chinese and Japanese, as well as some of the Mediterranean peoples. Much of the island's squid production is marketed among the Oriental and Latin populations of Canada and the United States.

Square Deal to Tourists Pledged in Ontario Rules

"Welcome" means little to the tourist who is crammed into road-side slums, eaten by garbage-bred flies, gypped out of advertised "recreational facilities," and sent home with a bad taste in his mouth. Canada, he tells his friends, phooey!

To make impossible such references to Ontario's tourist facilities, the provincial Government recently passed regulations licensing tourist camps, setting forth standards of service and sanitation, and outlawing misleading advertising.

In so doing, Ontario became the fourth Canadian province to tidy up her visitor industry. British Columbia, Alberta, and New Brunswick have already attended to their housekeeping, and tourist officials are hoping that, with other provinces following suit, the golden postwar tourist egg will never shrink to pullet size.

Ontario's new regulations come in two sections. One deals with licensing, maintenance of camps, registration, enforcement, etc., and is imposed under the Tourist Camps Regulations Act, 1946. The other deals with truthful advertising, and is passed under the Department of Travel and Publicity Act, 1946.

A license is required to operate a tourist camp in Ontario, to start construction of one, or to enlarge an existing one. Persons who operated during 12 months prior to March 31, 1947, and who have not since enlarged them, needn't get a license until March 31, 1948.

In municipalities, licenses are to be issued by municipal clerks; in unorganized territory, by the district inspector of the Ontario Provincial Police. The issuer must satisfy himself that the applicant is a fit person to hold a license, and that the enterprise complies with provincial regulations and municipal by-laws. He must notify both the applicant and the Minister of Travel and Publicity of his decision to issue or refuse the license. The right of appeal to county or district courts is provided. Fees are $5 on application, $2.50 for yearly renewal.

Camp operators are required to maintain sanitary facilities in good repair, keep the camp and equipment clean, provide adequate facilities for garbage and dispose of garbage by burial, incineration, or other manner not to pollute any stream, lake, etc., or create a nuisance on the highway.

They must also make certain that bedding is in sanitary condition, must clean each cabin after every occupancy, keep furniture in proper repair. A distinguishing number or name must be assigned to each cabin. Suitable stoves and other equipment for fires must be provided, and there must be an adequate supply of pure water.

Nine "Musts"

Henceforth, no one may erect a cabin for public occupancy in a tourist camp unless:

(a) All floors are constructed of concrete or tongue-and-groove lumber. Where the floor is of lumber, it shall be at least 12 inches above the ground.

(b) The inside of the cabins are stained, painted, or lined with smooth-surface material.

(c) Interior walls are so constructed so they may be kept at all times in a clean condition.

(d) Every living room, sleeping room, and kitchen has one or more windows, having an aggregate area of not less than one tenth of the floor area.

(e) Every bathroom and toilet room has one or more windows, having an aggregate area of not less than three square feet.

(f) Every window is so arranged that at least half its area may be opened without obstruction.

(g) The ventilating openings are screened.

(h) The minimum distance between cabins is at least 12 feet, and no cabin is closer than 10 feet to any side or rear boundary of the camp.

(i) The cabin has a space of not less than 400 cubic feet for each person occupying a sleeping room.

At least two water closets or toilet seats and at least two wash basins must be provided at camps accommodating 1 to 10 persons. The number is four in each case for camps with 11 to 30 capacity; six each for 31 to 60, and 10 each for 61 to 100.

All must Register

Because some camps have been used for socially undesirable purposes, everyone is compelled to register at the camp upon arrival, giving his name and home address, trade name and registration number of his car or trailer, and the state or province in which the registration number was issued. The operator must enter the name or number of the cabin used.

These records are open to government inspectors who will visit the camps "at any reasonable time," possibly in company with a medical health officer, to check up on compliance with regulations.

Where space is provided for tents and trailers, it must be adequately drained and free from insect breeding places, with at least 600 square feet allocated to each tent or trailer. A driveway not less than 20 feet wide, marked in the daytime and lighted at night, must be maintained between rows of tents or trailers.

The regulations do not apply to camps operated by welfare organizations or charitable institutions "within the meaning of the Charitable Institutions Act."

The second part, dealing with truthful advertising, applies to hotels, summer resorts, fishing, hunting, travel, vacationing or other accommodation or facilities for tourists.

It provides that the type of sleeping accommodation; the nature, location, and extent of recreational facilities; the timetable of transportation facilities; and the cost, shall be as represented.

Where the term "modern convenience" is used, it must include water-closet, electric lighting, and long distance telephone service.

Nfld. Members Of Convention

(Continued from page 34)

business in Paradise, Placentia West.

Joseph R. Smallwood, Bonavista Centre, active in journalism, radio and the co-operative movement; polled the highest vote of any candidate for the National Convention.

John T. Spencer, Hermitage, identified with the Milltown Lumber Co., is a member of the Hermitage Co-operative Study Club; was elected to the National Convention by acclamation.

Ronald J. Starkes, Green Bay, a justice of the peace, and operator of a fishery supply business at Nipper's Harbor; served two terms in the Newfoundland House of Assembly.

Reuben T. Vardy, Trinity North, veteran of two wars; conducts a general business at Hickman's Harbour, and is a notary public; only Independent elected to the Assembly in 1932.

Samuel F. Vincent, 33, Bonavista North, general dealer at Pouch Cove; former school teacher, and actively interested in education schemes.

Alfred Wotton, Fogo, served five years in the Royal Naval Reserve; connected with the general dealing trade at Fogo; secretary of the Transportation and Communications Committee.

GREAT EASTERN OIL & IMPORT CO. 1946 net profits increased 173.1% to $58,299. Sales showed a substantial increase, totalling just under $1.2 millions; but perhaps more important have been the new lines obtained to round out the company's list of products and appliances, Director C. P. Penney states.

Practically all lines of merchandise of the type handled by the company, excepting battery packs and radio tubes and parts, are in short supply, Mr. Penney adds. The radio situation, however, looks better and there will probably be sufficient of both battery and electric sets to meet the demand by midsummed. Supply of marine engines has been increasing, but not sufficiently to keep pace with the rapidly increasing demand for motor boats and schooners. The company acts as Newfoundland distributor for a line of home appliance, automotive, marine and farm implement manufacturers.

Current assets of $580,882 included cash, $272,304; accounts receivable, $179,458 and inventories, $129,121. Current liabilities were $133,025, leaving working capital $447,858. Other assets comprised: loans to directors, $752; investments, $30,431; investment in and advances to subsidiary company, $12,216; fixed assets, $95,640 and deferred charges, $4,682. Surplus forward was $128,940 and capital surplus, $66,760.

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Rubber Workers Fight Pro-Communist 'Raid'

Claim Office and Professional Unit Seeks to "Divide" Already-organized Industrial Locals — Protest to Parent Union

Canada's newest pro-Communist union, the CIO United Office and Professional Workers of America (UOPWA), is in hot water already over what is described as a "Pearl Harbor sneak attack" on another CIO but anti-Communist union.

The union the budding UOPWA has chosen to tangle with is the powerful United Rubber Workers, headed by Joe MacKenzie, also president of the Ontario Federation of Labor (CCL).

The actual "attack" was on Local 136 of the Rubber Workers in the Toronto plant of the Gutta Percha & Rubber Co. It took the form of an attempt by the UOPWA to sign up Gutta Percha office workers over the heads of Rubber Workers.

The whole story is unfolded in a letter which has been sent out to all union officers and field representatives of the URWA, and which points out that the UOPWA action is in direct violation of CIO jurisdictional policy. Protests have been lodged with the UOPWA parent union in the United States and the CIO.

Differences Deep-seated

But this incident was not the first spat between the far leftist UOPWA and the anti-Communist unions in Canada. Differences go back to the time the UOPWA moved into Canada, ostensibly to organize office workers in insurance and other business places.

To fully understand the cause of these differences, it is necessary to take a look at where the parent U. S. organization stands politically. According to the Chicago Journal of Commerce, the UOPWA in the United States is the "fifth column in business." It says that President Lewis Merrill was a Communist for many years but last year withdrew from the fold. (Merrill is a brother of the Canadian labor lawyer, J. L. Cohen.)

The Canadian branch of the UOPWA thus was under a distinct handicap from the start. In the first place, the Canadian Congress of Labor to which it would normally affiliate as a CIO union, would have nothing to do with it. In addition, the CCL didn't like the politics of the man the UOPWA put in charge in Canada —Kenneth Woodsworth.

In fact, the CCL said it would not take the UOPWA under its wing unless the present leadership was dropped. And without CCL blessing, a CIO union hasn't much chance of success in Canada. The UOPWA said they'd play ball and the CCL transferred one of its organizers, Richard Geddes, to take over; Woodsworth was to step down.

But it didn't work that way as many among the top CCL officials predicted when the arrangement was made. Geddes, who was working out of the CCL regional office in Toronto, lasted about three months, then returned to his old job. All attempts to reform the UOPWA had failed. Alleged promises to remove the leadership to which the CCL objected were not kept.

Cheque For Dues Returned

A few weeks ago the CCL washed its hands of the new organization. This became apparent when the CCL returned a cheque the UOPWA sent the CCL covering per capita dues. Now the UOPWA is on its own and apparently feels free to go on a raiding expedition.

The first foray was against the pro-CCF United Steel Workers but this was repelled. Then they moved against the Rubber Workers. Woodsworth first entered the picture in the Gutta Percha local during last year's rubber strike, in an advisory capacity. Some time after, the rubber workers signed up 48 office workers.

Somehow Woodsworth came into the picture again, ostensibly to help organize the office workers for the Rubber Workers local. The extent and type of the co-operation he rendered is now evident, says the URWA in describing the UOPWA activities; the people the URWA signed up and a number of others were all switched to Local 195 UOPWA.

During the last six weeks, the URWA has protested this invasion and violation of CIO policy to Woodsworth. About three weeks ago the URWA held a secret meeting with the Gutta Percha office workers. The UOPWA heard about it and shortly after applied to the Ontario Labor Board for certification. The URWA promptly filed an intervention.

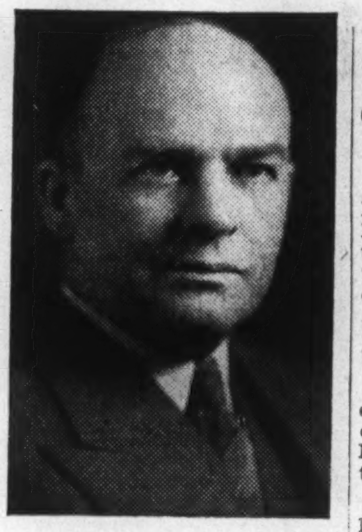
Claim Attempt To "Divide"

The URWA holds that the interference of the UOPWA is unwarranted in view of the fact that only recently has it made any effort to organize in Canada "where the going has been tough for 10 years."

The Rubber Workers say further that instead of trying to organize the hundreds and thousands of insurance and business office workers who have no union at all, the present UOPWA policy is in the direction of dividing people already in an industrial unit.

At its last membership meeting, the Gutta Percha URWA local decided to write the international office of the UOPWA and the CIO, condemning the "actions of Mr. Woodsworth for his Pearl Harbor sneak attack."

But if the past actions of the parent body are any indication, this protest won't bring about the desired results. According to the Chicago Journal of Commerce, the UOPWA in the United States is strongly entrenched in the pro-Communist zone. There have been several moves which made it appear as if the union was getting out from under Red influence but present signs suggest that it is back in line.



C. E. GREARSON

has been appointed Vice-president and Treasurer of The Foundation Co. of Canada.

HintSouthmont To Fight Order Of Que. Hydro

MONTREAL, QUE. (Staff)—Quebec Hydro Electric Commission served notice this week on Southmount Investment Co., to hand over the 510 shares of Keystone Transport Co. which Southmount holds. Hydro says it is prepared to pay $600 per share or a total of $306,000 for the shares.

A Southmount director tells The Financial Post that the company's decision now waits the opinion of legal counsel. At issue is the question of provincial jurisdiction in matters pertaining to companies holding a Dominion charter and conducting an interprovincial business.

Quebec Hydro's notice to Southmount is apparently to implement the 1945 amendment to the 1944 Expropriation Bill. This amendment provided that the transfer of 510 shares of Keystone and 3,350 shares of Montreal Coke & Manufacturing Co. preferred from M.L.H.&P. to Southmount was to be annulled, and payment for these shares would be equal to their value at the time the transfer was made to Southmount.

Until legal advice is received on the question of provincial jurisdiction, Southmount directors are not expected to take any action on the Hydro notice. Some legal opinion points out that Hydro may have a strong talking point in the fact that Keystone and Montreal Coke shares were transferred just prior to expropriation, but raise the question whether Hydro has a lawful right to acquire these shares following purchases of M.L.H.&P. stock.

Directors May Balk

It has also been suggested that Southmount directors may balk at the price of $306,000 offered by Hydro. This is the value shown in Southmount's balance sheet as at Dec. 31, 1946.

Since Montreal Coke prefer red stock has been redeemed transfer of these shares is no longer at issue.

If Southmount's lawyers decide that the province cannot implement its legislation by court action it is likely that directors will refuse Hydro's present offer. If legal counsel decides the reverse, however, Southmount may ask Hydro to up its ante. Similarly Hydro may be prepared to negotiate if it is not sure of its ground.

It is pointed out that the head office of Southmount is situated outside the province; also that Keystone conducts an interprovincial business and as a public carrier is under the jurisdiction of Board of Transport. The 510 shares of Keystone held by Southmount represent a 51% interest with the minority interest held by Montreal Coke & Manufacturing. Montreal Coke is owned equally by Hydro and Koppers Co.

It is believed that Hydro wants Keystone to round out its utilities system in the city. With its 10 vessels Keystone Transport carried coal and coke for Montreal Gas and Montreal Coke. If Southmount can get the price it wants for the shares, it would be willing to sell, it is stated.

Whether it will get its price is a matter for conjecture. It is understood that Southmount directors believe Keystone shares have a greater value than that shown on the books. It is probable that a share valuation based on earnings would suit Southmount better. Earnings of Keystone have never been published.

From the standpoint of the Southmount shareholder any increase in the offer over $306,000 would likely come as a welcome surprise. If the figures shown in the company's statement are nearly correct shareholders would not normally expect to get much more than that were the company to be liquidated, it is pointed out.

Dom. Woollens Earnings Rise

The physical volume of production so far in the current year is at levels considerably higher than those of the same period last year, President Henry Barrett stated at the recent annual meeting of Dominion Woollen & Worsteds. The dollar value of sales is up by one third, profits by 50%.

Continuance of the favorable trend for the remainder of 1947 is a reasonable expectation, it is stated. The type of goods the company manufactures is in short supply and will continue so until 1948 at least, the president said.

Heavy taxation and renegotiation of war contracts have prevented the accumulation of funds needed to carry larger inventories of raw materials at higher prices, thereby necessitating fairly large bank loans, it was stated. The return to normal operations and the lifting of price controls should gradually correct this condition and permit the building up of additional working capital; and with prices more in keeping with the prevailing higher costs, the company is now looking forward to a period of profitable operations.

During the last six months of 1946, on account of a shortage of labor and the lack of housing, operating conditions deteriorated very rapidly, the president said. The shortage of labor has, to a large extent, been overcome; and the housing scarcity has been improved through operation of a subsidiary company, Woodsdale Properties Ltd.

Urge $10 Million Hospital Program In Vancouver City

From Our Own Correspondent

VANCOUVER — A $10 miliion expansion program, over 10 years, for the Vancouver General Hospital, to make it one of the largest medical centres in Canada, has been suggested by the yet-unpublished Hamilton report.

This has been revealed by Hon. G. M. Weir, Minister of Education for B. C., who gave excerpts from the recommendations of James A. Hamilton, American consultant who was employed by the hospital to survey community needs.

The proposed program might eliminate the need for construction of a $5 million medical training school proposed for the University of British Columbia; as such a school would be incorporated in this program.

The Hamilton report, the education minister declared, envisioned one of the finest hospital centres in the Dominion, with accommodation of more than 1,625 beds and 17 specialties, in place of the present 1,200 beds.

HYDRO - ELECTRIC POWER COMMISSION OF ONTARIO'S expectations for bringing the new powerhouse addition at DeCew Falls into service on schedule time are said decidedly favorable. The date set is Sept. 1. Construction of dam and powerhouse is proceeding at Stewartville and work is advancing toward the actual construction stage at Aguasabon and Des Joachim.

Canadian Lumber Sure of Firm Market in U.K.

From Our Own Correspondent

VANCOUVER — Sir Frederick Bain, deputy chairman of the Imperial Industries, president of the Federation of British Industries, and one of the United Kingdom's most prominent industrialists, sees no chance of Britain's buying lumber from anywhere but Canada in the near future.

Visiting Vancouver for the Foreign Trade Week here, Sir Frederick discounted reports that Russia will or could supply Britain with lumber.

"Russia is using all its own lumber and is taking all that Norway, Finland and surrounding countries have," he said.

Canadian lumber is badly needed in Great Britain, and the demand will continue for years, he added. Lumber is so scarce that the repair and building program is in difficulties in the United Kingdom. Houses have to be built with no wood on the main floor, and experiments are being made with aluminum dwellings.

Sir Frederick, head of one of the world's largest chemical concerns, thinks that Canada could quite profitably adopt an immigration program.

"Canada is so large, and has so many vast empty spaces that she could absorb many of Europe's crowded millions. Britons make some of the best stock, but I think the people should come from all over Europe."

"Confidence in British industry is completely unshaken," Sir Frederick declares. "Everyone is certain of its future and everyone that has money is willing to put his money into industry."

Relationship between British industry and labor is exceptionally good, he said. There hasn't been an official strike since the end of the war and management, labor and government are united in their effort to revive Britain's business in the export field and at home.

AQUARIUS PORCUPINE GOLD MINES has carried its shaft to 350 ft. and plans to cut the first station when the 400-ft. horizon is reached and cut the main station at 525 ft. The shaft bottom is now in the green and brown carbonates, showing quartz as veins and general silicification. Company has received payment covering underwriting on 100,000 shares at 40 cents under agreement with New Electra Porcupine Mines. Issued capital is 3,757,847 shares.

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Aptitude Tests Aid Employers Choose Men Suited to Work

Finding the right man for the right job is a problem faced by every employer. Heres' how it is being done by some experts.

Aptitude tests measure the ability of persons to learn to perform the duties of a specific job at which they have no experience. In other words, aptitude tests measure capacity to acquire certain skills.

Behind these U. S. employment service tests lie 12 full years of carefully controlled, scientific observation and research. Tens of thousands of jobs were analyzed; they were studied in relation to the men who filled them. Why did some men succeed? Why do others fail? Is it, as our fathers claimed and as we are frequently prone to believe, simply a difference in ambition, application, industry, physical energy? Or are there actual psychological factors involved—factors which make it likely that a man could become an excellent shoe clerk who is a complete flop as a machinist?

Up to now the USES has developed 122 aptitude test batteries covering 169 occupations and 20 trainee or student classifications. During the war, however, management in war industries was frequently faced with the problem of having more types of jobs open than applicants. This called for development of a general aptitude test battery which would help to place an applicant in the most suitable job among those available. Such a test battery should measure abilities that apply to a wide range of jobs.

The completed general aptitude test battery consists of 15 tests which require about two hours to take. There are 11 paper-and-pencil tests and four apparatus tests to measure such characteristics as finger dexterity and eye-hand co-ordination. Naturally this test battery lends itself to employment counseling, particularly for young workers who are looking for their first jobs. An applicant takes all the tests in the battery and his scores indicate his relative ability to succeed in any of 20 fields of work, including such occupations as engineering, general clerical work, machine tending and feeding, repairing of complex machinery, artistic drawing, accounting, and journalism.

In this program, the largest sustained effort ever made to find out what makes a worker click, thousands of tests were given to employees all over the United States, with the co-operation of employers, workers, and unions. Many of the tests seem childishly simple, and psychological testing has come in for more than its share of ridicule. What nonsense, scoffed the detractors, to take pins out of one hole, put them in another.

Help for Watchmaker

And yet such a test as this was used by USES to assist a midwestern watch manufacturer in selecting new employees. Applicants at the local employment office who failed to pass the test were not referred to the company. As comparatively few qualified applicants were found, the company, beset with heavy war orders and a shortage of labor, asked that the testing be stopped. Within 5 weeks the company's personnel department reversed its stand. The cost of training workers who had no particular aptitude for the work had become exorbitant. Production per man had dropped; inspection costs went up and the number of rejected parts increased.

Dozens of similar stories show the dollar-and-cent savings brought about by the use of aptitude tests.

These savings are spectacular, even though the estimates are conservative. Clearly, aptitude test batteries have improved worker selection, which in turn has helped eliminate many personnel problems which spring directly from faulty selection of workers.

When tests are used, fewer workers need be recruited to fill jobs; training time for those selected is shortened; and the number that have to be trained is decreased. Workers selected by test reach satisfactory production levels earlier and the higher levels are maintained. Absenteeism and the rate of turn-over decline. Fewer employees become dissatisfied with their jobs.

The USES describes this myriad of activities under the general title "job analysis." The purpose of job analysis is to obtain through direct observation accurate information about job tasks, and how and why tasks are performed. The investigator also must enquire into the skills, knowledges, abilities, and training required of workers to perform a job. He looks into the physical conditions under which the job is performed and the physical activities involved. And lastly, the sources of potential workers to fill the job must be located. Job analysis has been the basis for the development of all other employment methods and techniques, including the testing program.

Study Job Relationship

From this work came the original data used in compilation and publication in 1940 of the Dictionary of Occupational Titles, containing a total of 21,653 defined jobs known by 36,363 titles. The Dictionary is probably the most widely used document on occupations in the world. Over 100,000 copies are in use here and abroad.

Following the description and classification of jobs comes the problem of job relationship. What combination of human traits — brawn and brain — makes for success in any particular job? To what extent can jobs requiring similar traits be grouped together into "job families" permitting carry-over of skills and knowledge from one job to another?

The USES found that such job families did exist and that they could be used to simplify many employment and placement problems arising out of technological changes. Here, for the first time an individual could see in black and white the entire range of jobs available to him. His training and experience prepared him to take, not one, but many jobs within a field of work.

Information on job relationships has been collected into a single volume, published as part IV of the Dictionary. Jobs are classified into fields of work based on broad similarities in type of work, materials used, and equipment. Additional classification factors relate to casual work-experience, training courses, leisure-time activities, and personal traits relating to these fields of work. This is particularly important in estimating the potentialities of first-time job seekers and returning veterans. These same fields of work form the groundwork underneath the general aptitude test battery.

Early in the war the armed services found definite relationships between civilian activities and military assignments, and the job analysis and job family data were extensively drawn upon. The same relationships have been highly useful to placement counselors in separation centres and veterans' agencies. For example, the qualities which enabled a man to become a first-rate Army cook will permit him to succeed in a similar civilian job. Moreover, he has a good chance to do well in such apparently unrelated jobs as a pharmaceutical worker or paint mixer.

Listing Air Engine Mechanic

Development of techniques for measuring occupational proficiency began in 1935 when first group of oral trade questions was collected and verified. At present trade tests have been developed for 230 skilled occupations. A worker who claims experience as airplane-engine mechanic, for example, may be asked such questions as these:

1. What is the firing order on a double-row Cyclone, 14-cylinder, Pratt and Whitney engine?
2. What color CAA identification band is used on a fuel line?
3. What should be the reading in pounds per square inch on the automatic pilot pressure gauge after the engine has been started?

Picture trade questions and blueprint reading trade questions have also been prepared for selected occupations. These are administered orally and informally as an integral part of an interview. Performance trade tests are used for measuring proficiency in clerical and secretarial duties.

In general, trade tests may bring out information on a worker's past experience; they may substantiate his claim to having had certain work experience; in the case of performance trade tests they may measure the extent of improvement resulting from supplementary training or experience; they may permit most effective utilization of the abilities; and finally, they assist in facilitating mass interviewing of job applicants.

Technique of Test Building

But from a purely scientific point of view, measurement of aptitudes has been most fascinating development in the entire program. Straight off the investigator runs into the problem of how the human mind works.

What are the important mental and motor traits which differentiate the native ability of one worker from another? And if such traits exist, how can they be measured most efficiently? And finally, after he has learned these facts, the investigator is confronted with the problem of correlating traits and occupations.

The isolation and definition of the basic native abilities of human beings is another case of trying to find a black cat in an unlighted coal bin. In the first place the psychologist is not sure of what he hopes to find, so he cannot approach the problem directly. Indirect methods which have only been recently developed call for a high order of mathematical and statistical know-how. The factor analysis technique developed by the University of Chicago's L. L. Thurstone is most widely used in this connection, although other methods are also available.

Show Workings of Mind

The study begins by giving a series of tests to an experimental group—trainees or a random sample of workers in a specific occupation. The scores made by each individual on one test are then correlated with the scores made by him on all other tests. From this group of correlations the investigator, by means of some statistical sleight-of-hand, is able to sort out the basic mental factors measured by the given tests.

Repeated over and over again with different tests and different populations, this technique has gradually given us new insight into the workings of the mind.

The general factors of thought which have important bearing upon occupational success include such traits as number, verbal and space perception, form perception, manual dexterity and finger dexterity, motor speed, eye-hand co-ordination, and intelligence. In all about 10 different factors have been isolated.

Knowing the pertinent factors, the experts develop more efficient tests measuring them. Most tests currently used are of the paper-and-pencil type, but some apparatus tests are designed to measure certain motor abilities. These include peg-board apparatus and finger-and-tweezer dexterity apparatus. Various types of matching tests have also been found useful in measuring certain abilities.

Concurrently with this research the Employment Service also conducted tests of workers on the job to learn to what extent success in a particular occupation depended upon the 10 aptitudes. Only in this way, through everlasting checking and rechecking could the testmakers be sure that they were not working in a theoretical dreamworld, that they were actually developing practical and useful employment methods.

Take, for example, the development of a test battery for aircraft riveter trainees. The experimental sample on which this battery was standardized consisted of 51 male trainees in San Diego, Calif.

The criterion of work proficiency used to determine the validity of the tests was the number of rivets set correctly in 1,000 seconds. An experimental battery of 16 tests was given, the results for each test then being correlated with the criterion to determine the validity of the test. The validity coefficients for the various tests are shown below. The validity coefficient, which may range from plus one to minus one is a numerical estimate of the extent to which job proficiency depends upon factors measured by the test.

Test	Validity Coefficient
Name comparison	0.033
O'Rourke vocabulary	.031
Number comparison	.061
Aiming	.089
Arithmetic	.092
Motor speed	.104
Number writing	.146
Eye-hand co-ordination	.176
Spatial	* .240
Minnesota paper form board	* .226
Figure-copying	* .264
Worker-analysis tweezer dexterity	* .324
Substitution	* .336
Worker-analysis finger dexterity (assembling)	* .407
Worker-analysis finger dexterity (unass.)	* .462
Worker-analysis peg board	* .551

* Considered significant: at least 1.65 times standard error.

The eight tests with significant validities were then subjected to a multiple correlation analysis to determine the combination having the highest degree of relationship with the criterion. This eliminated five tests, and the final battery consisted of the worker-analysis peg board, worker-analysis finger dexterity (unassembling) and the figure-copying tests. The combination of these three tests has a multiple correlation of 0.60 with the criterion.

The third of the trainees scoring highest on the complete battery set an average of 190 rivets per 1,000 seconds, 26% more than the lowest third, who set an average of only 151 rivets per 1,000 seconds. The probability that this difference could be explained entirely by chance is less than one in 1,000.

Naturally, the administration and interpretation of skill and aptitude tests require highly trained personnel. Individuals with adequate training are scarce. By the end of June, however, the general aptitude test battery will be in use in several hundred offices of employment services throughout the United States.

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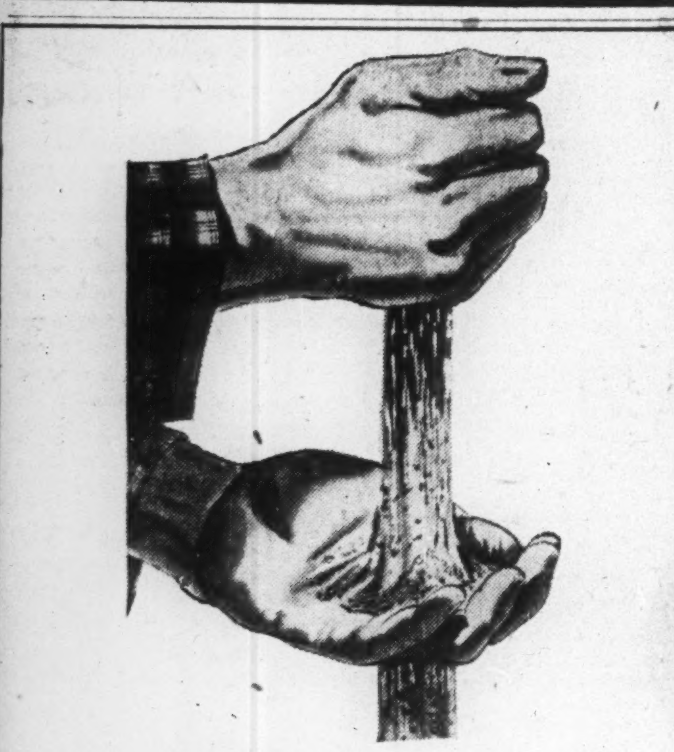

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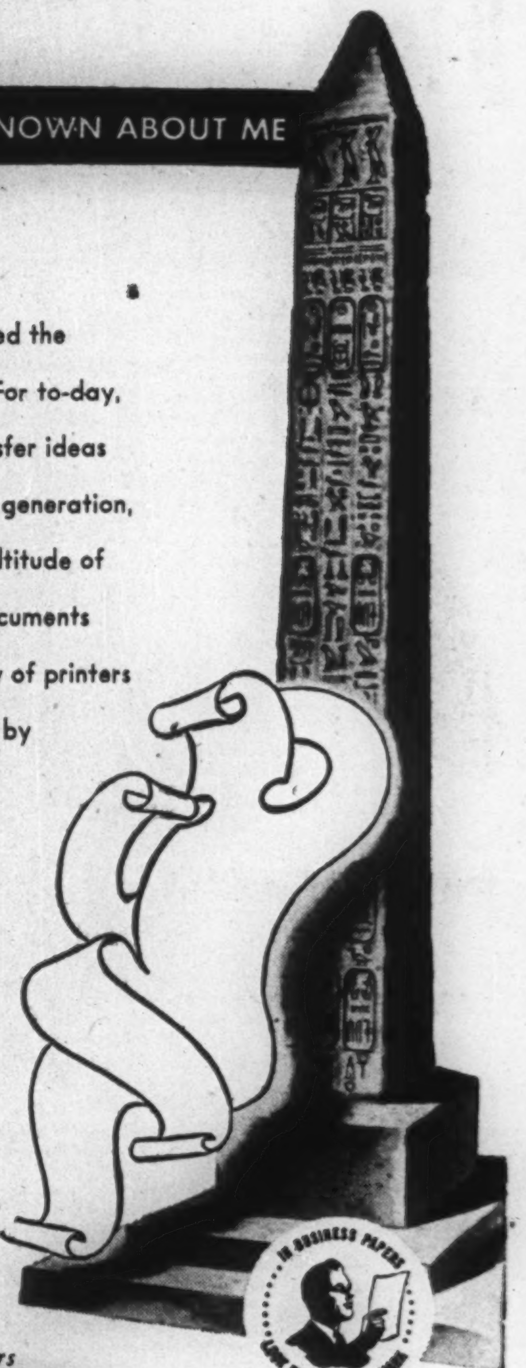

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